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Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

RENMIN RIBAO Hails Li Peng Asia Tour

OW2212060890 Beijing XINHUA Domestic Service
in Chinese 0213 GMT 22 Dec 90

["Full text" of 22 December RENMIN RIBAO editorial entitled: "Promote Good-Neighborliness, Friendship, and Common Development—Greeting the Complete Success of Premier Li Peng's Visit to Four Asian Nations"]

[Text] Beijing, 22 Dec (XINHUA)—Premier Li Peng successfully wound up his official goodwill visit to Malaysia, the Philippines, Laos, and Sri Lanka, made at the invitation of state and government leaders of the four Asian nations. The recent visit was Premier Li Peng's second tour of Southeast and South Asian countries, following his visit to Indonesia, Singapore, and Thailand in August this year. It was also the first official visit to Laos by a Chinese leader. The visits paid successively to neighboring Asian nations by Chinese leaders in recent years have had great significance and far-reaching impact, showing a new development in the good-neighborly and friendly relations between China and peripheral countries.

The main purpose of Premier Li Peng's recent visit was to promote mutual understanding, strengthen bilateral cooperation, and develop good-neighborliness and friendship. During the visit, Premier Li Peng repeatedly held friendly talks with Malaysian, Philippine, Lao, and Sri Lankan leaders; met both old and new friends; and thoroughly and sincerely exchanged views with them on international issues of common concern, the regional situation, and how to further strengthen bilateral cooperation and relations. As a result of the visit, China and the four countries have reached a comprehensive, common understanding of some important international issues; affirmed the political basis for developing bilateral relations; promoted mutual understanding; and widened the area of economic cooperation and trade. China's independent foreign policy of peace is universally appreciated by its Asian neighbors and the international community.

An important objective of China's foreign affairs is to create a peaceful international environment for long-term stability and for China's modernization. To strengthen unity and cooperation with the Third World countries is one of the cornerstones of China's foreign policy. To develop good-neighborliness and friendship with peripheral countries is the consistent policy of the Chinese Government. Malaysia, the Philippines, Laos, and Sri Lanka are China's friendly neighbors. Between China and the four countries, there exists a long history of friendly exchanges, and there are many moving stories of friendship. In modern times, both China and the four countries have shared the common fate of being enslaved, bullied, and humiliated by colonialism and

imperialism. China and the four countries are developing countries sharing many common things in international affairs. They are faced with the same task of protecting independence and sovereignty, developing economy, and maintaining social stability; they have common aspirations for strengthening cooperation and seeking development. In recent years, China has constantly developed friendly relations with its Asian neighbors and has constantly expanded cooperation with them in the economic, trade, scientific, technological, and cultural fields. The volume of trade between China and the ASEAN nations, including Malaysia and the Philippines, increased rapidly in recent years, and ASEAN has become China's important trade partner. Economic cooperation and trade between China and Sri Lanka have progressed smoothly, and the volume of trade between China and Laos has increased rapidly. During the visit, Premier Li Peng signed government economic and technological cooperation agreements with Sri Lanka and Laos. He also exchanged views with the four countries on further developing bilateral trade and economic and technological cooperation. There are broad prospects for China and the four countries to cooperate with each other comprehensively on the basis of equality and mutual benefit.

In talks with leaders of these countries during his visit, Premier Li Peng once again explained the Chinese Government's principled stand and policy on the Taiwan issue. Leaders of these countries also reiterated that they would abide by the principle of "one China" and would only maintain economic and trade contacts with China's Taiwan on a nongovernmental basis. The aforementioned common understanding is extremely important to the stable and smooth development of friendly relations between China and other countries concerned.

The international situation is currently undergoing a major change. The old world structure has been broken, but a new pattern still has not been formed. Although military confrontation between the United States and the Soviet Union has been alleviated and regional hot points in some places are moving toward solution, the present world situation is still not stable; regional contradictions in certain places are being aggravated; the gap in wealth between the South and the North continues to expand; and the international situation is becoming more turbulent. Under the new situation, it is even more important to emphasize the need to deal with international relations by following the five principles for peaceful coexistence. In talks Premier Li Peng had with the leaders of the four countries, a common understanding was reached that the five principles for peaceful coexistence are the foundation and norm for developing mutual relations. This has an important and practical bearing on China strengthening cooperation with these countries in political, economic, trade, scientific, technological, cultural, and other fields. It also has a bearing on international affairs and on maintaining peace and stability in the Asian region.

Supporting each other, seeking common ground while reserving differences, and making progress together are important principles for enhancing good-neighborly relations. Differences in social system, ideology, and the level of economic development will not constitute an obstacle in promoting friendship and cooperation. China has established diplomatic relations with five of the six member countries of ASEAN, and this signifies a new period of all-around development of relations between China and the ASEAN countries. Premier Li Peng expressed appreciation for the efforts made by Malaysia, the Philippines, and other ASEAN countries to strengthen regional cooperation and hoped that ASEAN member countries would continue to make contributions toward accelerating an all-around, just, and reasonable political solution of the Cambodian issue. Premier Li Peng reiterated that it is the firm and unchangeable policy of the Chinese Government to develop friendly relations and cooperation with ASEAN and that the Chinese Government respects and supports the call for establishing a peaceful, free, and neutral zone in South-east Asia. Premier Li Peng was pleased with the achievements made by the Lao people in recent years and expressed satisfaction over exchanges and cooperation between China and Laos in various fields. Premier Li Peng highly appraised the traditional friendship between China and Sri Lanka. He reiterated that China supports regional cooperation in South Asia and expressed wishes for peaceful and stable development in South Asia. He advocated that internal affairs of various countries in South Asia should be solved by the people of these countries themselves. Problems and disputes among countries in the region should be solved by countries concerned through friendly negotiations and dialogues.

Asia is the birthplace of the five principles for peaceful coexistence. Asia is a continent full of vitality, and its development has a bright future. Ancient Asia made contributions toward developing a brilliant civilization for mankind, and Asia will have an even brighter future. Li Peng's successful visit to the four countries has proven that, in the spirit of mutual respect and mutual benefit, good-neighborly relations and friendship can continue to develop.

It is hoped that the development of good-neighborly relations, friendship, and cooperation between China and other Asian countries will constantly score new successes.

Beijing Radio Claims Success

*OW2212125390 Beijing International Service
in Mandarin 0900 GMT 20 Dec 90*

[Station commentary: "Premier Li Peng Achieves Complete Success in His Trip to Four Asian Nations"; from the "Report on Current Events" program]

[Text] After successfully concluding his trip to Malaysia, the Philippines, Laos, and Sri Lanka, Chinese Premier Li Peng returned to China on 19 December, bringing with

him the friendship of the peoples of these four countries toward the Chinese people. During his trip, Premier Li Peng met with warm receptions by people from all walks of life wherever he went. Premier Li Peng had an in-depth exchange of views with leaders of the four countries on the advancement of bilateral relations and on international issues of common interest and regional situations. They essentially shared identical views or reached broad consensus on some major international issues, thereby laying the political groundwork for developing bilateral relations.

The trip has enhanced mutual understanding and cooperation and promoted good-neighborly relations. It marks a new chapter in the annals of China's relations with the countries. Malaysia, the Philippines, Laos, and Sri Lanka are China's nearby neighbors. Like China, they belong to the Third World. Historically, they have been ruled by foreign colonialists. Today they are confronted with the common task of national construction. Given the worsening international economic situation and the widening gulf between the rich and poor in the North and South, Premier Li Peng's trip to the four Asian nations is certainly significant for the strengthening of political and economic cooperation in the Third World.

During his trip, Premier Li Peng held discussions with leaders of the four countries on issues of common interest. He held talks with Malaysian leaders on the Cambodian issue. The two sides reached consensus on many matters regarding the political settlement of the Cambodian issue. They unanimously maintained that the various Cambodian factions should implement the UN Security Council resolutions on the Cambodian issue and agreed that the key to resolving the Cambodian issue lies in electing the chairman of the Cambodian Supreme National Council. The two sides also exchanged views on the Gulf crisis. They agreed that their countries should step up consultations in order to avert the outbreak of war in the Gulf region.

In a meeting, Philippine President Corazon Aquino reiterated her country's "One China" policy. Premier Li Peng expressed appreciation of President Corazon Aquino's statement that Taiwan is part of China, and that the Philippines will adhere to its "one China" policy. Both China and the Philippines signaled a desire to expand their trade relations. In light of the impact of the Gulf crisis and the Philippines' needs, China agreed to increase its supply of crude oil to the Philippines. In the Philippines, Premier Li Peng also discussed China's relations with ASEAN. He said: China will strengthen relations with the ASEAN countries. Our cooperation and exchanges will bring peace, stability, and benefits to the region. We want to establish normal diplomatic relations with Brunei, which is an ASEAN member.

During his visit to Laos, Premier Li Peng disclosed China's plans to provide a package of long-term, interest-free loans and a ground satellite receiving station to that

country. The two sides agreed to expand bilateral economic and trade cooperation, including that in border trade. Li Peng said: The two countries currently enjoy good relations. They are engaged in talks on border issues. As long as the two countries uphold the spirit of mutual understanding and compromise, I believe that the issues will be resolved.

The last stop of Premier Li Peng's trip was Sri Lanka. Sri Lankan President Premadasa gave a briefing on the summit of the South Asian Association for Regional Cooperation (SAARC). Premier Li Peng stated: South Asian countries are China's near neighbors. China is willing to develop relations with all South Asian countries in accordance with the five principles of peaceful coexistence. This is a basic policy of China's. I hope that SAARC will enhance cooperation and solve conflicts peacefully through negotiations.

During Premier Li Peng's trip to the four countries, China signed agreements with Laos and Sri Lanka on government-level economic and technological cooperation. In addition, China held friendly discussions with Malaysia and the Philippines on economic cooperation. There are broad prospects for China to develop wide-ranging cooperation with the four countries on the basis of equality and mutual benefit. Premier Li Peng's trip to the four Asian countries was another important diplomatic mission following his tour to Indonesia, Singapore, and Thailand in August. Apart from promoting China's friendship and cooperation with its neighbors on the basis of the five principles of peaceful coexistence, the series of tours is expected to have a positive impact on peace and stability in Asia.

Perez De Cuellar Lauds No Strings Attached Aid

HK2412135190 Beijing RENMIN RIBAO in Chinese
20 Dec 90 p 6

[XINHUA report: "UN Secretary General Reviews This Year's International Situation, Points Out China's Aid Has No Political Strings Attached"]

[Text] Beijing, 19 Dec (XINHUA)—The weekly journal LIAOWANG Volume 52, due for publication on 24 December, carries an exclusive interview by its special correspondent with UN Secretary General Perez de Cuellar where the latter speaks on the current world situation as well as the Gulf crisis.

Perez de Cuellar pointed out that the world situation in 1990 has both its positive as well as negative aspects. The positive aspects are: Following years of efforts by the United Nations, Namibia finally gained its independence; the end of the East-West Cold War has contributed greatly to a positive atmosphere in the UN General Assembly and Security Council; this year, people have seen the UN Security Council's authority.

At the same time, he pointed out that the present, worrisome situation in the Gulf region is the negative aspect in this year's international situation. He indicated

that as UN secretary general, he will do everything possible to prevent hostile actions and mediate a peaceful settlement of the Gulf crisis.

Speaking on North-South relations, the secretary general said that the gap between the North and the South continues to widen, and not narrow down. As an entity, the United Nations, including the UN General Assembly and ECOSOC, has not been very effective in dealing with the developing countries' economic problems.

He said that so far, the aid provided by developed countries to developing countries is way below the targets originally promised, as well as far from being able to resolve the difficulties caused by the drop in prices of basic commodities and high debt servicing in these countries over the past decade. He noted that developed countries should provide developing countries with substantial assistance which will resolve the problems once and for all.

The secretary general maintained that the South-South cooperation, described as "level cooperation," is an important subject of discussion and that many things can be done in this kind of cooperation among underdeveloped countries. As China has already done in many countries, some South countries may share with other countries their own existing level of development. On this, China's assistance is most welcome because China never attaches any political strings to its assistance.

'Yearender' on U.S.-Soviet Nuclear Talks

HK2312020990 Beijing RENMIN RIBAO in Chinese
18 Dec 90 p 7

["Yearender" by staff reporter Zhang Qixin (1728 0796 2500): "Present State and Prospects of U.S.-Soviet Nuclear Talks"]

[Text] Washington 18 Dec (RENMIN RIBAO)—Great progress has been made in U.S.-Soviet nuclear talks in 1990; hopefully, a U.S.-Soviet treaty on reduction in strategic offensive forces (START) will be initialled in the foreseeable future. However, from the angle of the global tasks of nuclear disarmament, the treaty's initialling will only be a first step toward nuclear disarmament for the two sides.

"Progress in Nuclear Talks in 1990"

Through compromises between the United States and the USSR on several occasions in 1990, solutions have been found to the major leftover disputes from previous nuclear disarmament talks; for example, the USSR no longer insisted on the principle of mutual contacts on the relationship between nuclear disarmament and restricting strategic defense, thus pushing forward the progress of nuclear talks.

On several important issues concerning the nuclear treaty, both sides have agreed to make specific stipulation on sea-based cruiser missiles and air-based cruiser

missiles, namely, no stipulation is made in the treaty regarding sea-based cruise missiles exceeding a range of 600 km, while each side will announce the number of such missiles in deployment in their restrictive policy statements, with the volume not exceeding 880; air-based cruise missiles exceeding a range of 600 km will be excluded from the ceiling for warheads as stipulated in the treaty; however, the number of cruise missiles on each U.S. bomber is calculated at an average of 10, whereas it is an average of eight on each Soviet bomber, which are lower than actuality.

The two sides agreed upon the USSR improving its SS-18, increasing the number, and improving the qualities of its "Backfire" bombers; while the United States agreed to make some restrictions on transferring its Tridents to the United Kingdom. With solutions to those disputes, relevant U.S. officials believe, the treaty is likely to be completed early next year.

Bush has recently announced a visit to the USSR in this coming February; hopefully, the two countries' leaders will sign this treaty.

"Long and Arduous Progress"

The progress made this year in U.S.-Soviet talks has been a continuation of the struggles and compromises between the two sides over the years. Strategic nuclear disarmament talks have gone through a long and arduous progress since they began in 1982. The talks have been conducted under a backdrop of a large-scale nuclear arms race between the two sides for over a decade, with nuclear weapons exceeding saturation; and aimed at reducing the size of their nuclear arsenals to lower the intensity of their nuclear confrontation.

In view of the changes in the world situation and the voice for nuclear disarmament in the world, both the United States and the Soviet Union have made strategic readjustments, while each side has taken a position of safeguarding its own strength, while reducing the other's advantages. The talks met with difficulties from the very start.

Reviewing the whole course of the U.S.-Soviet talks, we find a marked characteristic was that the ups and downs in the talks were closely connected with the two sides' argument and compromise in two arenas: Both sides have placed the key on cutting but of the other side's nuclear weapons that have some advantages, and whether the talks should be linked to the U.S. Strategic Defense Initiative [SDI].

Over the past eight years, the talks have largely gone through three stages. In the first stage (between February 1982 and November 1983), both sides held different views, and the talks were bogged down in a stalemate. As soon as the United States deployed its new-type Pershing I in Europe, the Soviet Union walked out of the talks.

In the second stage (between March 1985 and December 1988), with Gorbachev taking office, there was a turn for

the better in U.S.-USSR nuclear talks. In December 1987, the two sides signed the Intermediate-Range Nuclear Forces [INF] Treaty, which pushed forward the progress of the talks. In between, differences remained in their ideas of reducing strategic forces, but the two sides still succeeded in reaching a principled agreement on cutting their nuclear weapons by 50 percent. We may put it that during this stage, a general framework for the treaty of reduction in strategic forces had already taken shape. The third stage of nuclear talks began in June 1989 in the wake of Bush taking the presidential office. Through 18-month efforts and compromises, the remaining major differences in nuclear talks were gradually resolved.

"Signing the Treaty Is Only a Matter of Time"

Viewing U.S.-Soviet relations at present, both sides hope to sign a treaty to stabilize the balance of their nuclear forces for the time being. At the Malta and Washington summits last year, the two countries' leaders expressed the hope of signing a treaty by the end of 1990, but their hope has not been fulfilled.

An analysis attributes the cause of the failure to the two sides' bargaining. In addition, both U.S. and Soviet senior leaders have been busy handling important home and foreign affairs, dividing their energies. However, viewing the decision that the U.S. and Soviet leaders are to meet in Moscow in the coming February, signing the treaty on strategic forces is only a matter of time.

"The Treaty Is Just a Beginning"

Reviewing the progress of the U.S.-Soviet nuclear talks, both sides have made some concessions, with the USSR making bigger ones. According to the treaty's stipulation, the two sides will maintain their relative balance in nuclear forces. From the worldwide angle of nuclear disarmament, the treaty has marked limitations. This being the case, even though the treaty is signed and implemented, it only shows that they have made an initial step on the long way to nuclear disarmament.

First, the U.S. and Soviet nuclear arsenals remain huge after the reduction. According to a U.S. research institute's data, the United States possesses 1,864 strategic vehicles for its three types of nuclear weapons, with some 12,300 warheads; while the USSR has only 2,536 vehicles, with some 11,500 warheads. Based on the treaty's stipulation, both sides will cut back the number of their vehicles to 1,600, and warheads to 6,000. The treaty makes allowance, however, for sea-based cruise missiles, which will be excluded from the ceiling; in addition, a peculiar way is adopted in calculating the number of warheads of cruise missiles carried on bombers and other nuclear warheads (namely, a way of calculation whereby the results are lower than actuality). This being the case, the number of warheads in U.S. and Soviet actual possession far exceeds the ceiling stipulated in the treaty, which can be approximately 10,000 and 8,000 respectively.

And second, the treaty has evaded other controversial issues. Therefore, the initialling of the treaty on reduction in strategic nuclear forces does not mean the conclusion of U.S.-Soviet nuclear talks.

Although the East-West relations will continue to develop in the direction of relaxation, neither the United States nor the USSR will easily give up their huge nuclear arsenals and advantages. Hence, the arduousness in their future nuclear talks.

Article Views Possible Outbreak of War in Gulf

HK1912103590 Beijing SHIJIE ZHISHI in Chinese
No 23, 1 Dec 90 p 12

[Article by Ke Si (2688 2448): "A New Round of Contention Begins"]

[Text] In early November, U.S. troops sent to the Gulf region in accordance with the "Desert Shield" operation have reached 230,000; this, along with troops dispatched by Britain, France, Egypt, Syria, and other countries, adds up to a total of 400,000 men. The number is largely comparable to the Iraqi forces deployed in the battle zones of Kuwait and southern Iraq. At the same time, the United States enjoys absolute superiority in terms of air and naval power. Consequently, experts believed that the United States has acquired the initial capability to launch long-range attacks against Iraq's occupation force in Kuwait as well as deep into Iraqi territory.

In deciding the next step to be taken, the U.S. President and his advisers held broad consultations with Congressional leaders. Meanwhile, Secretary of State Baker visited important states in the Middle East and Europe to coordinate their actions. On 5 November, the United States announced that "the Gulf crisis has entered a new stage." On 8 November, President Bush said the U.S. troops currently deployed in the Gulf region represented the completion of the first phase of defense mission, and that U.S. plans to send more troops constituted the second phase of the mission mapped out by the United States. It showed that the U.S. forces have shifted from "a defensive stance to an offensive stance." On 10 December, U.S. Defense Secretary Cheney announced that an additional 100,000 to 200,000 men would be sent to the Gulf region in approximately two months' time. Revelations indicated that half of these men will be drawn from U.S. troops based in Europe while the other half will come from the United States itself, including two heavy armor divisions and some mechanized infantry divisions and 1,400 M1-A1 tanks from the Army; three aircraft carriers, battle ships, and escort vessels from the Navy; several aircraft from the Air Force; and two brigades from the Marines. By then, half of the U.S. Navy's battle ships and carriers, 75 percent of the Marines' forces, and two-thirds of the Army's heavy armor troops will have been congregated in the Gulf region, equivalent to U.S. troops concentration in Europe at the height of the cold war period.

Looking at the current military position, the United States continues to put up a fighting stance but has postponed the day of reckoning. Certain signs in the second half of the past month are worth reflecting upon.

Some influential U.S. legislators including Sam Nunn, chairman of the Senate Committee on Armed Services; Les Aspin, chairman of the House of Representatives Committee on Armed Service; Claiborne Pell, chairman of the Senate Committee on Foreign Affairs; and George Mitchell, Democratic Party leader at the Senate, have all issued statements expressing concern over a war launched by Bush in the Gulf and have stressed that only Congress has the power to declare war.

According to reports, U.S. Secretary of State Baker has learned from his recent trip to the Middle East and Europe that the anti-Iraqi alliance opposed U.S. military action now. The Soviet Union has expressed hope that political and diplomatic activities would be launched for at least another two more months, while Egyptian President Mubarak also indicated that another two or three months may be allowed to see whether economic sanctions work or not. If diplomatic means prove ineffective, then the Security Council may pass a resolution authorizing the use of force to end Iraq's occupation of Kuwait. He also said, however, that Egyptian troops would not take part in an attack against Iraq.

Experts have maintained that a great part of the U.S. ground troops sent to Saudi Arabia were noncombatant and logistics personnel. Their heavy equipment is insufficient, some technical problems in desert warfare have not been settled, and numerous difficulties continue to plague the coordination and command of the multinational forces. As such, there is no sure-fire guarantee of a quick victory in case an attack is launched.

In addition, the United States has to agonize over the hostage issue, Iraq's employment of chemical weapons, and the security of the Gulf oilfields.

At the moment, a new round of contention has begun in the Gulf crisis. It started with the United States increasing troop deployment and applying greater military pressure on Iraq, and is intended for the U.S. and multinational troops to attain overall military superiority over Iraqi troops by January next year. Hence, next January will be a very tense month for all. Military operations in the subsequent months would be very difficult: February is the rainy season in the Gulf region where temperature rises; March will see sandstorms; Islam's Ramadan is observed from mid-March to mid-April. Therefore, the struggle in the next two months would be very decisive.

To prepare against a U.S. attack, Iraq held successive rounds of top level joint military-government meetings from the end of October to early November in order to map out war plans. President Saddam Husayn also ordered Iraqi troops be placed at the highest state of alertness. Iraq's Information Minister Jasim declared

that "all signs have shown that the United States has made the decision to fight, and war could break out at any time."

United States & Canada

Ambassador to U.S. on Baker Visit, Relations

HK2312013390 Beijing ZHONGGUO XINWEN SHE
in Chinese 1005 GMT 22 Dec 90

[Report by Xie Yining (6200 0001 1337)]

[Text] Washington, 21 Dec (ZHONGGUO XINWEN SHE)—Chinese Ambassador to the United States Zhu Qizhen announced here today that U.S. Secretary of State James Baker will visit China at an appropriate time next year.

Zhu made this announcement during a soiree held in the Chinese Embassy in honor of some scientific and technological figures of Chinese descent. He said the visit's specific schedule has not yet been fixed.

Talking about Sino-U.S. relations at the soiree, Zhu Qizhen said the resumption of the exchange of visits between high-ranking Chinese and U.S. Government officials, the World Bank's more relaxed policy on extending loans to China, and the reinvigoration of Sino-U.S. economic relations and trade signify that Sino-U.S. relations have tided over the most difficult time and are entering a stage of gradual restoration and development.

Zhu mentioned Chinese Foreign Minister Qian Qichen's visit to Washington three weeks ago at the U.S. Government's invitation, during which Qian held talks with Secretary of State Baker and met with President Bush. Recently, Zhu said, several groups of U.S. officials have visited China. Apart from Richard Schifter, assistant secretary for human rights and humanitarian affairs, who is now visiting China, Under Secretaries Reginald Bartholomew and Robert Kimmitt will soon visit China. After these visits, Secretary of State James Baker will visit China at an appropriate time next year.

Zhu Qizhen believes that economic relations and trade between China and the United States are being reinvigorated as well. Gu Yongjiang, Chinese vice minister of foreign economic relations and trade, paid an official visit to the United States 10 days ago at the U.S. Government's invitation. The third Sino-U.S. economic and trade symposium was held in Seattle and a buyers delegation composed of more than 100 officials from China had purchased more than \$700 million worth of goods from the United States. Zhu Qizhen disclosed that China is planning to send more buyers delegations like this to the United States in the future.

Further From Zhu Qizhen

OW2412075590 Beijing in English to West
and North America 0500 GMT 24 Dec 90

[Text] Chinese Ambassador to the United States Zhu Qizhen says Sino-U.S. relations have passed the most difficult time.

The Chinese Ambassador says high-level talks between China and the United States are back in swing, and he said that U.S. Secretary of State James Baker will come to China next year.

Ambassador Zhu Qizhen says he hopes more Americans will come to China for business, or just for sightseeing, and he says Chinese descendants living in America should do all they can to help the two countries get along better.

The Chinese ambassador had been speaking to Chinese American scholars and scientists and wishing them all a happy New Year.

Soviet Union

Tian Zengpei 'Shocked' by Shevardnadze Resignation

OW2112152490 Tokyo KYODO in English 1501 GMT
21 Dec 90

[Text] Beijing, Dec. 21 KYODO—Chinese Vice Foreign Minister Tian Zengpei said Friday he was shocked by the resignation announcement of Soviet Foreign Minister Eduard Shevardnadze.

But he said Shevardnadze's resignation was not yet formally accepted, thereby suggesting a Chinese wait-and-see attitude toward future developments in the Soviet Union.

Responding to questions by KYODO NEWS SERVICE, Tian called Shevardnadze an able person who had played a great role in improving relations between Moscow and Beijing.

But he would not comment further on the Thursday resignation announcement, saying that it was a domestic matter for the Soviet Union.

According to Eastern diplomatic sources, the Chinese leadership is concerned about the affects on China following the possible political chaos Shevardnadze's resignation could bring.

The sources said the Chinese Government hopes that the Soviet perestroika (restructuring) policies will result neither in a major success nor a great failure, out of considerations of the affects on China's domestic affairs.

Mutual Force Reduction Talks Session Ends

OW2212030990 Beijing XINHUA in English
0242 GMT 22 Dec 90

[Text] Beijing, December 22 (XINHUA)—Chinese and Soviet diplomatic and military experts held their second round of talks here between November 30 and December 21 on the implementation of the principles guiding the reduction of military forces on the Sino-Soviet border and the strengthening of mutual trust in the military field.

According to sources from the Chinese Foreign Ministry, the experts of the two sides discussed the contents of the reduction and shared the view that the implementation of the agreed principles would further promote the good-neighborly relations between the two countries.

The talks proceeded in an earnest and friendly atmosphere, the sources said.

During the talks, Chinese Vice-Foreign Minister Tian Zengpei and deputy chief of the general staff of the Chinese People's Liberation Army General Xu Xin met with the Soviet delegation on separate occasions.

Both sides agreed to hold their next talks in Moscow.

Ding Guangen Welcomes CPSU Delegation

OW2212122590 Beijing XINHUA in English
1203 GMT 22 Dec 90

[Text] Beijing, December 22 (XINHUA)—Ding Guangen, alternate member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee and member of the committee's Secretariat, met here today with a party workers' delegation of the Communist Party of the Soviet Union (CPSU).

Headed by B.A. Kuptsov, secretary of the CPSU Central Committee and head of the committee's Liaison Department of the Social and Political Organizations, the delegation arrived here today on a visit to China at the invitation of the CPC.

Bank of China Opens Moscow Office

OW2212031590 Beijing XINHUA in English
0236 GMT 22 Dec 90

[Text] Moscow, December 21 (XINHUA)—The Bank of China opened here today a representative's office, the first of its kind in the Soviet Union and the Eastern European nations.

Deputy president of the Bank of China Tu Jianji, who is now in Moscow for the opening ceremony, said the office will only function as an advisory body for trading enterprises of the two countries before it is possibly turned into a branch of the bank.

Northeast Asia

Mongolian Premier Promises Open Door Policy

OW2012120290 Beijing XINHUA in English
1136 GMT 20 Dec 90

[Text] Ulaanbaatar, December 20 (XINHUA)—Mongolian Premier Dashiyn Byambasuren has said that Mongolia will pursue an open door policy in its foreign economic relations, the Mongolian newspaper "THE PEOPLE'S POWER" reported today.

In an administrative program presented to the second session of the Mongolian Small Hural, the country's legislative body, for discussion and approval, Byambasuren said that equality and mutual benefit should be a principle governing economic cooperation with other countries, and his country will offer foreign investors all possible favorable conditions in accordance with the international practice.

Speaking of the country's foreign policy, the Mongolian premier said it is of special significance to enhance friendly relations with its two big neighbors—China and the Soviet Union and expand cooperation with them based on equality and mutual benefit.

He said that his government will further deepen mutual understanding and confidence with China and enlarge cooperation in the fields of economy, trade, culture, science and technology.

The premier said the development of Mongolia's ties with the Asian-Pacific nations has an important place in its foreign policy and Mongolia will also broaden its relations with the United States, Britain, France, Germany, Italy and Finland.

The relations between Mongolia and the East European countries will also be boosted, he added.

On the domestic policy, Byambasuren said that the transition to a market-regulated economy is the way leading the country out of the current economic crisis.

He called for diversifying systems of ownership, setting up a fair and free mechanism of competition and privatizing the state properties.

Mongolia will establish small and comprehensive economic entities in light of the country's natural conditions and combine the traditional economy with the modernized one, the premier said.

He said over 40 percent of the country's total investment in 1991 will be earmarked in renewing technologies of the enterprises.

Byambasuren promised to the Small Hural that the state will keep a strict control over the prices of basic food-stuffs.

Mongolian South Govi Delegation Visits Region*SK1912033690 Hohhot NEIMENGGU RIBAO in Chinese 8 Nov 90 p 1*

[Text] On the evening of 6 November, Zhao Zhihong, vice chairman of the Inner Mongolia Autonomous Region, met with and feted the six-member delegation of South Govi Province in the People's Republic of Mongolia, headed by (Po Bandi), chairman of the executive committee of the People's Congress of South Govi Province in Mongolia.

During the reception, Zhao Zhihong extended a warm welcome to the delegation on behalf of the Inner Mongolia Regional People's Government. He briefed the guests on the region's industrial, agricultural, and animal husbandry production for this year as well as the cultural, educational, and public health development situation. (Po Bandi) said that wherever he went, he was warmly and friendly received by local people, and witnessed the tremendous change taken place in various fields of Inner Mongolia. (Po Bandi) expressed willingness to develop contacts with Inner Mongolia in various fields. Responsible persons of the regional foreign affairs office and Bayannur League also attended the banquet to help entertain the guests of honor. Also invited to the banquet was (Zongxiong Salare), consul general of the Mongolian Consulate in Hohhot.

The South Govi Provincial delegation arrived in Hohhot after visiting Alxa and Bayannur Leagues upon the invitation of the Alxa and Bayannur League Administrative Offices. While in Hohhot, the delegation visited the Inner Mongolia Color Television Center and the Inner Mongolia Museum.

DPRK Military Delegation Visits Shandong*SK1912134890 Jinan DAZHONG RIBAO in Chinese 15 Nov 90 p 1*

[Text] At the invitation of the PRC Ministry of National Defense, a six-member military delegation from the DPRK guided by General Kim Kwang-chin, member of the Central Military Commission and vice minister at the Ministry of People's Armed Forces, visited Shandong from 12 to 13 November.

When the delegation arrived in Jinan by a special plane, Lieutenant General Zhang Wannian, commander of the Jinan Military Region; Lieutenant General Qu Jining, deputy political commissar of the region; and Yang Guoping, chief of staff of the region, welcomed them at the airport.

During their stay in Jinan, the distinguished guests from the DPRK visited the "regiment with double achievements" under a People's Liberation Army unit from the Jinan Military Region. They also observed its overall military, political, and rear-service construction situation and some military performances. On 13 November, the distinguished guests from the DPRK also toured Tai

Shan and Qufu. They left Shandong from the Taian railway station on the same evening.

Agenda for North-South Korean High-Level Talks*HK1912072190 Beijing RENMIN RIBAO in Chinese 10 Dec 90 p 6*

[XINHUA report: "North, South Sides of Korea Decide on Agenda for High-Level Talks"]

[Text] Pyongyang, 8 Dec (XINHUA)—On 7 December, responsible liaison officers of the North and South Korea met at the "House of Peace" on the south corner of Panmunjom and decided the agenda for the Korean North-South High-Level Talks and other issues.

According to KOREA CENTRAL NEWS AGENCY, North Korea's responsible liaison officer handed the Northern delegation's namelist to South Korea and accepted South Korea's Memorandum on the Protection of Personal Security.

Both sides also confirmed the schedule for the Northern delegation's stay in Seoul and passed concrete items such as the Procedures for the Panmunjom Military Demarcation Line. The Third Korean North-South High-Level Talks will be held in Seoul from 11 to 14 December. The head of the Northern delegation is Administration Council Premier Yon Hyong-muk, and the chief delegate of the Southern delegation is Prime Minister Kang Yong-hun.

Before the third high-level talks, representatives of both sides have held three preparatory meetings to discuss the documents that should be passed at the third high-level talks and worked out document drafts, but they have not reached an agreement.

Southeast Asia & Pacific**'Roundup' Reacts to New Zealand Welfare Package***OW 2112130390 Beijing XINHUA in English 1243 GMT 21 Dec 90*

["Roundup: Mixed Responses to NZ Govt's Welfare Package"—XINHUA headline]

[Text] Wellington, December 21 (XINHUA)—The New Zealand Government's economic package to cut social welfare benefits has won praises, but has also given rise to anxieties over a potential social warfare.

The package pledging to reshape the welfare system and attack the deficit has brought immediate falls in interest rates and mortgage rates, but also bawls of outrage over the impact on the poor.

The package which was described by Prime Minister Jim Bolger as "stiff medicine" involves deep cuts in benefits, a rise in prescription charges, a freeze on pension rates and a slashing of housing assistance.

The wide-ranging program of cuts is expected to lop 245 million N.Z. dollars (147 million U.S. dollars) off social welfare spending this financial year and 1.27 billion (762 million U.S. dollars) in the 1991-92 financial year.

The government's new move just 53 days after the National Party came to power has been styled as "brave". "Finally New Zealand has had a government that has the courage to tackle the sacred cows of a welfare-state model that New Zealand can no longer afford," a local media report said.

By creating a gap between welfare and lower pay rates and by freeing up the labor market in biggest industrial law revamp this century, the government hopes to spark a move from benefit to jobs. True there were cries about the symbolic axing of the family benefit paid universally since 1946 and an icon of the welfare state. It is also true that half of the recipients of the benefit do not need it, local media said.

Nevertheless, the package has met with bitter opposition. Both opposition Labor Party leader Mike Moore and deputy leader Helen Clark have slashed the package, referring to it as a "Black Wednesday" that marked the "end of the welfare state and the beginning of the end of the National Party."

The package was greeted by welfare groups with "shock, anger and tears." Some insisted that more people are being forced into abject poverty with the potential for huge increases in crime, and possibly suicide rates, as a result of the benefit cuts.

"Instead of social welfare we are going to have a social warfare," said Simon Lindsay, national coordinator of the Unemployed and Beneficiaries' Movement.

The gap between New Zealand's wealthy and poor has thus been widened with poorest hardest hit, a media report said.

The benefit cuts will cost 52.15 dollars per household for the bottom 20 percent of the population. The bottom 20 percent have household earnings of under 325 dollars per week.

While for the top 20 percent, earnings are over 1,095 dollars per week, they will lose only 11.80 dollars per week. This is against the background that the real disposable incomes for top earners rose 9 percent over the December 1988 year, those of the poorest grew by only 1.6 percent. And in September last year, incomes of the rich were 7 percent higher, those of the poorest dropped by 2 percent.

Social Welfare Minister Jenny Shipley argued that it was not fair to say the least well off had been hit the hardest in the cuts. Many people who would lose the family benefit were people earning more than 39,000 dollars a year (750 dollars per week), she said.

Wu Xueqian Meets Papua New Guinea Envoy

*OW1912101290 Beijing XINHUA in English
0901 GMT 19 Dec 90*

[Text] Beijing, December 19 (XINHUA)—Chinese Vice-Premier Wu Xueqian met here today with W. Noel Levi, the outgoing ambassador to China of Papua New Guinea.

New Ambassador to Singapore Interviewed

*HK1912064590 Beijing ZHONGGUO XINWEN SHE
in Chinese 0659 GMT 14 Dec 90*

["Dispatch" by reporter Li Wei (2621 0251): "The Embassy Work Should Suit Singapore's High Efficiency—Interview With Zhang Qing, China's First Ambassador to Singapore"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 14 Dec (ZHONGGUO XINWEN SHE)—"The embassy personnel are limited in number, its ranks must be small but highly trained, their efficiency must be high, and the embassy work should suit Singapore's high efficiency." This is what Zhang Qing, China's first ambassador to Singapore, who will set out to take up his new post within the next few days, told me in regard to his attitude toward his new job.

Zhang Qing, 56 years old, gives me an impression that ordinarily, he is comparatively earnest, works extremely seriously, and is very familiar with the situation of the Southeast Asia. After a cordial conversation, I have come to know that he has, in fact, a good sense of humor and a human touch, gets along well with people, and is, as it were, "frigid in appearance but warm in heart."

He said that he is very fond of the Southeast Asian countries because the people there are comparatively kind and loyal and have a human touch and that he does not have an exotic feeling while working there. His diplomatic career began, and will conclude, in Southeast Asia.

"I feel greatly honored and extremely happy that I can be appointed China's first ambassador to Singapore. At the same time, I feel the importance of my duties, but I also have confidence in accomplishing this honorable mission to the best of my ability." Zhang Qing did not conceal his excitement and self-confidence in the slightest.

Due to the needs of his work, Zhang Qing has gone to Singapore many times in the past two years and more, and four times this year. He accompanied former Singaporean Prime Minister Lee Kuan Yew throughout the latter's visits to China the year before last and this year. He also participated in the whole course of the talks on the establishment of diplomatic relations between China and Singapore. Therefore, he has a better understanding and knowledge of Singapore.

Zhang Qing highly praised Singapore's rapid economic development over the past 30-odd years. Its economy grows by 8.5 percent a year, it is politically stable, its society is peaceful, and its social order is good. He said that the country has both the legal system of the West and the culture and traditions of the East and is a place people yearn for. "As our country's leaders have declared on many occasions, many of Singapore's experiences in economic development and state administration are worth learning and using for reference by China. Shanghai Municipality recently worked out a plan for residents' housing reform after it had drawn on certain experiences of Singapore."

He went on to say: Although there were no diplomatic relations between China and Singapore in the past, the two countries' high-level leaders had frequent contacts and very close political relations. Their economic relations and trade developed quickly and the volume of bilateral trade amounted to some \$3.2 billion last year. Furthermore, Singapore is also an important investment partner. The two countries have cooperated very well in international affairs and are identical in views on settling regional conflicts, especially the Cambodian question. Therefore, "my task is to strive to consolidate and develop such good cooperative relations between the two countries and to further push the relations between the two countries to develop in depth and breadth."

"Have you considered the favorable conditions for, and difficulties in, your work in the future?" I asked.

"I have more contacts with and understanding of the Singaporean leaders and government officials and many friends in Singapore. This is a very favorable condition for my work as an ambassador. I can get assistance from the Singapore Government and my friends in performing my official duties. As to difficulties, problems will be encountered in the course of work and I believe that with the Singapore Government's cooperation and my friends, I can solve them properly," said Zhang Qing.

Zhang Qing's hometown is in Yanggu County, Shandong, which is where Wu Song, a hero in China's famous classical novel, "The Water Margin," killed a tiger. In 1956, he bid farewell to his hometown and was admitted to Nanjing University to study French. Subsequently, he studied the Vietnamese language in Beijing University and Hanoi Comprehensive University for six consecutive years. After his graduation in 1964, he worked in the Chinese Embassy in Hanoi. From then on, he has had an indissoluble bond with Indochina and Southeast Asia.

He worked twice in the Chinese Embassy in Vietnam, for a total of 10 years, and experienced the closest stage and the most deteriorating period of Sino-Vietnamese relations. After Vietnam invaded Cambodia, his work shifted to the Cambodian question. He was a political counselor in the Chinese Embassy in Thailand and a deputy director of the Department of Asian Affairs; he was in charge of the Cambodian question and Southeast

Asian affairs. During this period, he went to the Cambodian battlefield and the headquarters of all the Cambodian parties' resistance forces many times to understand the situation, attended all international meetings on the Cambodian question, and participated in all talks on the resumption of diplomatic relations with Indonesia. Therefore, when Premier Li Peng sees him, he often calls him "specialist on the Cambodian question."

When they talked about this, this prudent diplomat smiled and said: I am gratified that I can make little contributions toward the successes in the relations between China and the Southeast Asian countries and in important progress in the political solution to the Cambodian question.

It was learned that Zhang Qing regards as his own mottoes "working diligently, doing things seriously" and "careful consideration, prudent action."

Near East & South Asia

NPC Vice Chairman Meets Iranian Delegation

HK2112041890 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 17 Dec 90

[Text] Yesterday afternoon [17 Dec], Seypidin Aze, vice chairman of the National People's Congress [NPC] Standing Committee, met a delegation in Guangzhou, from the Iranian Islamic Congress and Iran-China Friendship Group which was visiting our province. He said: People of various nationalities in China are united, and they are satisfied with China's religious policy.

While talking about the issues of nationalities and religions, Seypidin said: The reason why people of various nationalities in China can unite as one, and are satisfied with our religious policy, is mainly that our country's policies for nationalities and religions are correct.

Indian Prime Minister Meets Water Minister

OW2012220390 Beijing XINHUA in English 1346 GMT 20 Dec 90

[Text] New Delhi, December 20 (XINHUA)—Indian Prime Minister Chandra Shekhar today told visiting Chinese Minister of Water Resources Yang Zhenhuai that friendly cooperation between India and China is conducive to global peace.

Meeting Yang at the prime minister's official residence this afternoon, Shekhar said the exchange of visits by high-ranking officials between the two countries is of significance to the development and peace of the world.

India and China can draw from each other's experiences on irrigation works, he added.

At the meeting, Yang, who visited a number of water conservancy facilities on his six-day Indian tour starting on Sunday, December 16, praised India's achievements in the field of agriculture and irrigation.

He has also held talks with his Indian counterpart Manubhai Kotakia and invited the latter to visit China.

The visit has also brought Yang to Madras, Bombay and Puna. He is leaving tomorrow evening for Pakistan.

Indian Government Faces 'Daunting Problems'

OW2212022990 Beijing XINHUA in English
0139 GMT 22 Dec 90

["Yearender: Shekhar Government Faces Daunting Problems"—XINHUA headline]

[Text] New Delhi, December 22 (XINHUA)—The year of 1990 saw in India another change of government and deteriorating law and order situation. The new Janata Dal (Socialist) government led by Chandra Shekhar is facing daunting problems.

India entered the 1990s with no party securing an absolute majority in the general elections held on November 22-26, 1989. The Congress (I) led by Rajiv Gandhi had obtained only 195 seats in the 525-seat Lok Sabha (lower house), and opted not to stake its claim for forming the government. So the 143-member National Front headed by V.P. Singh was asked by the president to form the second non-Congress government since independence in 1947 (the first one was led by the Janata Party—People's Party—in 1977-79).

However, the minority Janata Dal-led National Front government led by V.P. Singh ruled the country for only eleven months. It resigned in November following a split in the party and the withdrawal of support by its main ally, the Bharatiya Janata Party [BJP] (Indian People's Party), in late October.

The V.P. Singh government was then replaced by another minority government headed by incumbent Prime Minister Chandra Shekhar. His Janata Dal (Socialist) Party is a breakaway faction of Janata Dal and has only 61 seats in the lower house, making him dependent on the support of Congress (I).

Shekhar, a 63-year-old politician, assumed the reins of government on November 10. Meanwhile, many daunting problems waited to be tackled: disaccord and clashes between Hindu and Muslim communities in north India, with serious repercussions all over the country; Muslim militancy on the rise in India-controlled Kashmir; Sikh separatism in the prosperous northwest state of Punjab; and political unrest in the important tea-producing northeast state of Assam and difficult economic situation, especially price increase of essential commodities.

Tension between India's 700 million Hindu majority and 120 million Muslim minority has never been worse since India's independence 43 years ago.

In September, the pro-Hindu BJP President L.K. Advani set out on a cross-country tour to raise Hindu passions and demand that a Hindu temple be constructed at a site

in the town of Ayodhya, Uttar Pradesh State, where now a mosque (Babri Masjid) stands.

The BJP and its ally, the World Hindu Committee (VHP), claimed that a Ram temple at the site was dismantled more than 400 years ago by the then Muslim rulers of India.

Muslim leaders fear that if they compromise on this issue, the VHP will immediately bring in the issue of 3,000 other mosques in the country claimed to be built on the ruins of Hindu temples.

The arrest of Advani by the Singh government in late October resulted in the withdrawal of BJP's support to the national front government which collapsed in November.

The Ram temple-Babri Masjid dispute has triggered violent Hindu-Muslim clashes in many places of India, killing hundreds of persons during the past two months alone.

In the Sikh-dominated Punjab State, the Muslim-dominated Kashmir Valley and the tribe-dominated Assam State, thousands of lives have also been lost this year due to fighting between militants and security forces.

In Punjab, where nearly 30 well-armed Sikh militant groups launched a campaign for an independent "Khalistan," there is an upswing in violence and the death toll this year has reached nearly 4,000 compared to 2,729 last year.

The situation in the Kashmir Valley has deteriorated since earlier this year, the valley's economic and commercial activity has been badly affected by unabated violence, strikes and curfews.

The Indian Army has launched an operation in 13 out of the 23 districts of Assam State to flush out armed militants from their jungle hideouts. The operation, launched on November 28, was against the United Liberation Front of Asom (ULFA).

The goal of ULFA activists is to create a sovereign, independent, socialist Asom (Assam).

Analyzing the deteriorating law and order situation in India, THE HINDUSTAN TIMES said the real crisis facing the country today is the crisis of the growing alienation of the masses from the political elite and the increasing dissatisfaction in the ranks of the former.

Prime Minister Chandra Shekhar has warned on December 18 that a country is likely to be disintegrated by such tensions. "In the hour of crisis, we can't afford to fight with each other. Instead of taking course to death and destruction, we should sit across the table and begin negotiation," Shekhar said.

He added, "We must also remember that as world politics exists today, the role of those nations who are not

able to solve their own problems is zero. They have no maneuverability, no clout, no importance."

"Today, people and political parties feel that it is not the time for going for mid-term polls. They feel there should be an endeavor to bring the country out of difficulties, out of this disastrous situation," the prime minister said.

Indian political analysts here say that few leaders in India's 43 years of independence have faced such daunting problems. The next few months thus have a crucial bearing on the life of the Janata Dal (Socialist) government.

Many analysts anticipate that the Congress (I) may back Shekhar just long enough to enable them to overhaul the party's political machinery for a new general election.

But Shekhar expressed the hope on December 19 that his government would last much longer than many people expected.

Sub-Saharan Africa

Yang Shangkun Receives New Djibouti Envoy

OW2212034490 Beijing XINHUA in English
0229 GMT 22 Dec 90

[Text] Beijing, December 22 (XINHUA)—Chinese President Yang Shangkun here today received credentials presented by the newly appointed ambassador to China of Djibouti Rachad Ahmed Saleh Farah.

Farah arrived here Thursday.

Wu Xueqian Meets Ghanaian Official

OW1912092790 Beijing XINHUA in English
0853 GMT 19 Dec 90

[Text] Beijing, December 19 (XINHUA)—Chinese Vice-Premier Wu Xueqian met here today with Mohammed Ibn Chambas, deputy secretary for Foreign Affairs of Ghana, and his party.

Chambas and his party arrived here Monday on a goodwill visit to China.

Interview With Liberian Interim Vice President

OW2312180890 Beijing XINHUA in English
1440 GMT 23 Dec 90

[By Hao Zhangyin]

[Text] Monrovia, December 23 (XINHUA)—Vice-President of the Liberian Interim Government Bishop Ronald Diggs has listed the first priorities of his government as restoring peace and stability and providing food and health care for Liberians.

In an exclusive interview with XINHUA correspondent at his office in Ducor Hotel in the capital city, the

vice-president said that his government wants to bring the civil war to a complete end as soon as possible.

He said the interim government was pleased with the signing of a ceasefire agreement by the three Liberian warring parties in Malian Capital Bambako late last month.

The interim government is now working toward the restoration of water and power supply and telecommunication with the outside world, said Mr. Diggs.

Bishop Diggs said a fair and free election will be held in Liberia within one year under international supervision.

He appealed to all friendly countries in the world to assist Liberia in its rehabilitation of the war-torn country.

This correspondent arrived in Monrovia on December 16 by ship from Freetown, Sierra Leone, and noticed that peace is being gradually restored in the capital city. The West African peace keeping force in Monrovia known as ECOMOG is now maintaining law and order in the city and people are moving freely from one part of the city to another with traders doing business on both sides of the streets.

However, daily necessities are in short supply and water and power supply is still not regular.

'Analysis' on Effects of Liberian Civil War

OW2312174890 Beijing XINHUA in English
1707 GMT 23 Dec 90

["News Analysis: Wounds of Liberian Civil War May Take Years To Heal (by Zhang Yishi and Duan Jiyong)"]—XINHUA headline]

[Text] Nairobi, December 23 (XINHUA)—One year has passed since the Liberian civil war broke out and peace is now being gradually restored in the war-torn West African country. However, wounds left by the conflict may take years to heal.

Hope for peace came late last month when leader of the main warring faction in the conflict Charles Taylor finally agreed to a ceasefire in the country.

After challenging the intervention by a Nigeria-led West African peace keeping force known as ECOMOG for three months and being consequently forced out of the capital city Monrovia, the National Patriotic Front of Liberia (NPFL) led by Taylor signed a ceasefire agreement in Malian capital Bamako in late November with the other two warring factions in the Liberian conflict, the Breakaway NPFL led by Prince Johnson and remnants of the Liberian armed forces loyal to slain former President Samuel Doe.

A meeting on Liberian situation held a few days ago in Gambian capital Banjul reinforced the hope for peace as the three Liberian warring factions agreed to observe the

Bamako agreement, open seaports and airports in the country as military free zones and hold an all Liberia conference in February next year to discuss the institution of a new interim government.

The NPFL led by Taylor, whose estimated 15,000 fighters still control most of Liberia outside the devastated capital, has refused to accept the present interim government of President Amos Sawyer, ever since it was formed in late August under the auspices of the Economic Community of West African States (ECOWAS).

Taylor's refusal to accept the authority of the ECOMOG-supported interim government presented uncertainties for the prospect of sustained peace in the country, making the task for restoring peace a hard job at least until a new interim government acceptable to all the parties is formed.

Equally hard and perhaps even harder will be the task to heal wounds left by the civil war and rebuild the war-ravaged country.

One of the wounds inflicted by the civil war was the deepening of tribal feud in the country as the rebel uprising against the government of late President Doe which began on Christmas Eve last year soon turned into a bloodiest tribal war in Africa in years, involving Gio and Mano Tribes supporting Taylor and Krahn Tribe and Mandingo Muslim traders backing the late president.

As a result of the tribal war and massacres of civilians by both sides in particular, civilians belonging to different tribes constituted the vast majority of casualties including 5,000 deaths in the war.

Such being the case, it will not be easy to bring different tribes hostile to each other to live in harmony in the country which has a long history of tribal feud.

The civil war has sent some 800,000 people, nearly one third of Liberia's 2.5 million population to flee to neighboring countries as refugees. Repatriation and resettlement of so many refugees could be a headache for the interim government.

The civil strife has also shattered Liberia's fragile economy and destroyed much of Monrovia's infrastructure including clinics, hospitals and roads. The country's international airport as well as water and electricity supply facilities in the capital city were said to have been severely damaged by rocket-propelled grenades during clashes between Doe's army and rebel troops.

Some key export-oriented enterprises such as the world's largest Firestone Rubber plantation and the country's second port in Buchana through which iron ore was exported also suffered severe damage during the rebels' drive to the capital. Some diplomats predicted that the West African country's industrial base, which has reportedly been reduced to ruins by the civil war, will take years to rebuild.

The government of late President Doe, widely accused of corruption, economic mismanagement and human rights abuses, was almost bankrupt even before the rebel uprising.

The last years of Doe's ten-year rule were marked by high unemployment, rocketing inflation, drastic decline in export earnings and heavy indebtedness to foreign creditors.

Rebel leader Taylor said in early June that even if there were not a war, it would take years for any new government to bring the already battered economy back to the path of recovery.

Soon after he assumed power in Monrovia, Mr. Sawyer claimed that Liberia now owes three billion dollars to external creditors but has only 250,000 U.S. dollars left in foreign accounts.

With such meager financial resources, Sawyer's interim government will find it very difficult to fulfill its promise to "improve the living standard of the Liberian people".

The rebuilding of war-torn Liberia calls for massive assistance from the international community. The United Nations has moved to launch a special international appeal fund for the reconstruction of post-war Liberia. But relief officials said that response to the U.N. move has so far seemed unenthusiastic.

West Europe

Mitterrand Says 'No Fundamental Conflict'

OW2212032390 Beijing XINHUA in English
0225 GMT 22 Dec 90

[Text] Paris, December 21 (XINHUA)—French President Francois Mitterrand said Friday that France and China have no fundamental conflict of interests between them and it is important for both sides to strengthen their dialogues in the current international situation.

The president made the remarks in the presidential palace after receiving the state credentials presented by China's ambassador extraordinary and plenipotentiary, Cai Fangbai.

Mitterrand also said he always attaches great importance to developing French-Chinese relations, adding that the bilateral relations have been going smoothly despite some issues that once affected the relations.

The ambassador said the Chinese Government also attaches great importance to developing the relations between the two countries. As permanent members of the U.N. Security Council, he said, China and France should intensify their consultations, which accord with the interests of the two peoples and help maintain peace and stability in the world.

Cai expressed his confidence that the friendly bilateral relations will further develop on the basis of five principles of peaceful co-existence.

'Yearender' Reviews European Economic Zone

OW2412074290 Beijing XINHUA in English
0315 GMT 24 Dec 90

["Yearender: Negotiations Over European Economic Zone in Slow Motion"—XINHUA headline]

[Text] Brussels, December 24 (XINHUA)—With 1991 only one week off, negotiations over the European economic zone—an important part of European integration which involves a population of 340 million people in 19 North and West European countries—have apparently failed to conclude by the end of the outgoing year.

The idea of establishing such a zone was first brought up by Jacques Delor, president of the European Community (EC) Commission, in early 1989 when he motioned a "new type of contact" between the 12 member countries of the EC and the six members of the European Free Trade Association (EFTA).

At their ministerial meeting held in Brussels last year, the 18 countries decided to begin EC-EFTA negotiations on June 20 and reach an agreement by the end of this year.

The agreement would focus on the formation of a European economic zone that allows a free flow of commodities, personnel, labor force and funds among the 18 countries.

To extend the area of free economic flow to the six countries in Northern and Central Europe—namely, Austria, Switzerland, Sweden, Norway, Iceland and Finland—would benefit the EC with a larger market and amplify its influence on the European continent.

On the part of the EFTA countries, the economic zone would enable them to share the benefits derived from EC economic integration, which would mean a speedy economic growth for them.

For the benefit of their mutual interests, the two sides agreed to start negotiations aimed at establishing a European economic zone on January 1, 1993 when a unified European Common Market comes into being.

However, the negotiations were plunged into a deadlock soon after they were opened because of differences over the decision-making mechanism of the future economic zone and the applicability of EC laws.

Pressed by the deadline of the negotiations, another ministerial meeting of the 18 countries took place in Brussels as late as December 19, which finally yielded some positive results through political consultations.

The two sides reached an accord on monetary cooperation, the acknowledgment of the EC's legal system, a

system of free flow of commodities, personnel, labor force and funds and related laws, and measures for reducing the economic gap between the two economic blocs.

It was also agreed that the negotiations must wind up by the end of next June after producing an agreement on the European economic zone. But the meeting left differences over the decision-making mechanism unresolved.

Technically, the European economic zone is to be built on the basis of the existing EC legal system, thus resulting in two problems. One is how to make the existing EC system suitable for the designed zone and the other how to work out new zone legislations in keeping with the EC ones.

On the part of the EC, it made clear following principles at the very outset of the negotiations:

- The program of the European economic zone should not hinder the process of the single European market.
- A prospective mechanism of joint policy-making should not bind either blocs in their own policy-making.

Therefore, in the eyes of the EC, the future policy-making mechanism of the zone should act as a sort of co-ordinator. The European Community restores its independence concerning the European integrated market.

Meanwhile, the EFTA said that it has no intention of interfering in the internal affairs of the EC. Yet when the EC legislations concern the future economic zone, it insists on enjoying an equality in joint policy-making, which it sees as a guarantee of the coherence of policy and a precondition of legal power of any future treaties.

As the joint policy-making mechanism could mean certain cession of sovereignty, neither side was willing to make any compromise until a recent ministerial meeting.

The compromises include:

- The EFTA and EC have equal rights in drafting EC policies concerning the future economic zone.
- The EFTA has the right to make a motion or to voice its opposition to specific issues.
- The EC agreed to inform and consult the EFTA in relation to legislations of common concern.
- Establishing a mixed ministerial council in charge of the interpretation, enforcement and revision of the economic treaties of the zone. The council will decide policies by consensus.

Although the above agreements have laid down certain basis for an ultimate solution to the policy-making dispute, the EC still insists on its opposition to granting

those non-EC members an equal say in the policy-making process. The fate of the whole negotiations will hinge upon this point.

Another outstanding problem is the area of application for the EC's legislation. Ministers of the two blocs agreed in principle last year that the future economic zone may follow the policies of the integrated EC market to avoid possible policy conflicts in the process of unifying the two economic giants.

In a transitional period, however, EFTA nations may suspend, completely or otherwise, the implementation of EC legislation, in other words, they may enjoy "rights of exception."

Acting on the force of this agreement, the EFTA nations once demanded rights of exception in farming, fishery and seven other fields, only to be turned down by the EC, which held that these rights should be confined to a small area.

After repeated discussions, the EFTA agreed to reduce the area and accepted in principle the 1,400 items of law—the fruit of EC integration. Meanwhile, the EC agreed to include in the treaty some "guarantee clauses" to protect the internal markets of some specialized economic sectors of EFTA nations.

Nevertheless, grave differences still remain as to the ways of opening the market in certain fields that have a bearing on the balance of vital economic interests.

In fishery, for example, Iceland and other Nordic countries asked for a free entry of their seafood into EC markets as a prerequisite for the success of the negotiations. This stance posed an obvious threat to the EC's already-glutted aquatic markets, so the EC in turn proposed to add to the treaty a condition that both sides shall be free to exploit each other's aquatic resources, which was, of course, turned down by the EFTA.

Moreover, the two sides continue to disagree over the area of application for the EC's farming policies, which concern a re-balance of their economic interests.

However, in the long run, the initiative and realization of the European economic zone benefits both economic blocs and represents the historic development orientation of European industrialized countries—to widen the scope of economic integration and common development.

At present, due to the risk of world economic recession, the aggravation of the East European situation, the continuous unrest in the oil producing area of the Middle East and the uncertain prospects of GATT negotiations, the economic union within Europe has become more and more urgent and important.

On the part of the EC, the establishment of European economic zone will restrain the demand of Northern and Central European countries to join directly the economic common market so as to concentrate on the building of

the economic and monetary union. On the part of the EFTA, the zone can be considered as a phase of direct transition towards the economic and monetary union. From these points of view, the negotiations on the European economic zone are based on success.

However, as there have been above-mentioned differences and the deadline of negotiations pressing, whether the treaty can be signed and go into effect in time hinges upon the political willingness of both sides.

New Opportunities in Trade With Europe Seen

HK2412045090 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 24 Dec 90
pp 1, 2

[By staff reporter Xiao Qu]

[Text] The coming year is expected to open up new horizons for the expansion of Sino-European Community trade but the opportunity may fade in the face of EC trade barriers and a bullish Eurodollar.

"This is a golden chance," said a Chinese foreign trade official, citing the recent resumption of EC government loans and export credit insurances to China.

Besides, big contracts signed in the last few years were expected to come to fruition next year, bringing shipments of a large amount of EC equipment to China. This would rule out a heavy drop in the amount of EC exports to China in 1991, said the official from the Ministry of Foreign Economic Relations and Trade who declined to be identified.

Equipment accounts for a big share of China's imports from the EC.

Equally important, said the official, was the on-going recovery of domestic demand for imports following the Chinese government's decision to relax its credit-squeeze policy adopted in late 1988 to fight the runaway inflation plaguing the country at the time.

Big earnings from rising exports this year were expected to be used to pay for more imports next year to satisfy domestic demand which was now picking up, he said.

However, he added, the opportunity may slip from between the EC's fingers if it did not make greater efforts to tear down more of its trade barriers and sort out what to do about the fact that the Eurodollar was rising against the US greenbacks (US legal-tender notes).

"The EC money's unfavourable fluctuation against the US dollar may shake the competitiveness of EC products on the Chinese market," he said, adding that the continued existence of trade barriers could doom any hope of Sino-EC trade heading away from the present slump.

Sino-EC trade had deteriorated this year despite active efforts made by companies from both sides, the official

siad. The main obstacles had been the economic sanctions imposed by the EC against China.

According to the latest Customs report, trade between the two sides during the first 11 months of this year amounted to just \$11.5 billion. Of that figure, the EC's exports to China totalled \$6.77 billion, a sharp drop of 15.45 percent from the corresponding period last year. Its purchases from China went up by 13.9 percent to \$4.74 billion.

Starting from next year, the official explained, China would enjoy less preferential treatment than the countries of Eastern Europe in its exports to the EC, in sharp contrast with the situation before this year.

The EC had shown no sign of further lifting its barriers against Chinese products but had promised to remove its trade barriers to the Eastern European countries by 1995, he said.

"The EC should not discriminate against China," the official said, adding that China was the first socialist

country to develop bilateral relations with the community and it had been undertaking successful market-oriented economic reforms since the late 1970s.

The trade barriers include limits on the EC's imports of China's textiles as well as some industrial and agricultural products.

China and the EC were negotiating on the EC's control over imports, he said, but added that these negotiations were "very arduous."

"The EC is unwilling to allow more of such Chinese products into its market," he said.

But the EC should do so, he argued, if only for the reason of German reunification. Since the former German Democratic Republic had become part of the European Community, he explained, the EC should expand its quotas on Chinese textiles and some other industrial and agricultural products to include the amount China had exported to the former GDR in the past.

The official said the EC should also expand the list of Chinese products that can enjoy the generalized system of preference (GSP).

Central Committee Plenum

Plenum To Begin 25 Dec; Focus on Economic Policy

BK2312110890 Hong Kong AFP in English 1057 GMT
23 Dec 90

[Text] Beijing, Dec 23 (AFP)—The Central Committee of the Communist Party is to open its seventh plenum here Tuesday in a bid to set guidelines for China's economic policies into the 21st century.

The three-day plenum is expected to consider the Eighth 5-Year Plan for 1991-1995 and a 10-year development program. It is the fourth such plenum since the June 1989 massacre of democracy protestors here.

The announcement of dates for the two- to three-day plenum followed many delays, which analysts said signalled deep rifts between conservatives favoring central planning and reformers wishing to push forward liberalizing reforms launched in 1978 by senior leader Deng Xiaoping.

Like the last plenum in March, this plenum will take place behind closed doors.

The key meeting is also likely to see provinces launch a bid to maintain economic autonomy, well-informed sources said.

Coastal provinces, which have benefited most from opening-up policies of recent years, are eager to retain control of investment by seeking benefits in exchange for taxes disbursed to the central government.

The party leadership is also expected to announce several appointments to the Politburo, although no major leadership changes are likely.

Preparatory Meeting for 7th Plenum in Progress

HK2412024890 Hong Kong MING PAO in Chinese
24 Dec 90 p 8

[Report: "Senior Officials Gather in Beijing To Hold Preparatory Meeting"]

[Text] Beijing (MING PAO)—High-ranking officials of the CPC Central Committee and leaders from all provinces and cities of China are attending a two-day preparatory meeting in Beijing, which started yesterday, to put the final touches to the Eighth Five-Year Plan and the future 10-Year Plan before they are finalized. The two draft plans will be submitted for ratification by the Seventh Plenary Session of the 13th CPC Central Committee scheduled to open tomorrow.

According to a well-informed source, the Seventh Plenary Session of the 13th CPC Central Committee is scheduled to open tomorrow (25 December). The plenum, which will last only three days, will focus on the formulation of the Eighth Five-Year Plan that will cover the period from 1991 to 1995 and the 10-Year Development plan that will span the decade through to 2000.

This will be the fourth plenary session held by the CPC Central Committee since the 4 June incident last year. The previous plenum was held last March.

The informed source said the preparatory meeting that opened yesterday and will close today is the last opportunity for China's central and local leaders to bargain over the guidelines for future economic development, therefore this meeting could probably carry still more substantial significance than the plenum that is to follow. As usual, the function of a plenum is generally to give the routine ratification to some decisions in question.

The informed source said: No proposals on personnel changes are put on the official agenda for the forthcoming Seventh Plenary Session of the 13th CPC Central Committee. Also, according to the relevant procedures, the Eighth Five-Year Plan and the future 10-Year Development Plan that are to be finalized at the forthcoming plenum will not be officially released for implementation until they are officially approved by the National People's Congress meeting to be held next March.

Hardliner Predicts Fight Against Anti-Marxists

HK2412100290 Hong Kong AFP in English 0946 GMT
24 Dec 90

[Text] Beijing, Dec 24 (AFP)—A top Chinese communist party hardliner lashed out Monday at bourgeois influences, declaring just ahead of a decisive party plenum that the fight against anti-Marxist elements would be long and "very intense."

Li Ximing, one of 14 Politburo members and a key figure in crushing pro-democracy protests here last year, said in a published article that China should guard against the forces toppling other socialist states.

"In the world today, there still exist two opposing classes, the proletariat and the bourgeoisie, as well as an ideological battle between Marxism and anti-Marxism," he said in the front-page article in Guangming Daily, regarded as the intellectual's newspaper.

"Such a battle ... is very complicated, very intense and long-term," Mr. Li warned.

The harsh rhetoric comes ahead of this week's crucial eighth plenum of the party Central Committee, which will lay out the blueprint for the next decade of China's economic development, including the five-year plan from 1991-1995.

The plenum had been planned for earlier this year but was delayed, apparently due to strong differences within the party.

"We must also criticize the hypocrisy and false nature of bourgeois freedom, democracy, and human rights," said Mr. Li, a former colleague of conservative Premier Li Peng in the ministry of the electric power industry.

He stressed the need to analyze the forces that led to the downfall of some socialist countries—a reference to Eastern Europe—and called for “high vigilance” against this so-called “peaceful evolution.”

Article Outlines Approaching Seventh Plenum

*HK1412105190 Hong Kong CHING PAO in Chinese
No 161, 10 Dec 90 pp 34-37*

[Article by Chang Mu (1728 3092): “The Seventh Plenary Session Will Coordinate Readjustment and Reform; Deng Xiaoping Reiterates Opening Up and Opposing Bourgeois Liberalization”—first three paragraphs are CHING PAO introduction]

[Text] The important political figures at the senior level of the CPC think that after the 4 June incident, the Fourth Plenary Session of the 13th CPC Central Committee was for solving the problem of the core of leadership; the fifth was for solving the problem of economic readjustment; the sixth was for solving the problem of relations between the party and the masses; and that the approaching seventh plenary session is for solving the problem of development strategy.

Other than discussing the plan for economic development, the seventh plenary session will also discuss a series of principle and policy problems involving political theory, art and culture, society and education, etc, in the ideological field.

Deng Xiaoping still insists that the Third Plenary Session of the 11th CPC Central Committee decided to implement the policy of reform and opening up, and that at the same time, it demanded a curbing of the trend of liberalization. This is a mutually related problem; if such a trend is not checked, the policy of reform and opening up cannot be implemented.

The seventh plenary session has been postponed. This is because they want to reach a consensus and prudently draft the development policy for the last decade of this century, and announce new reform measures. Unexpectedly, various guesses and opinions have appeared.

The Seventh Plenary Session Will Decide on Strategy

The important political figures at the senior level of the CPC think that after the 4 June incident, the **Fourth Plenary Session of the 13th CPC Central Committee was for solving the problem of the core of leadership, that the fifth was for the problem of economic readjustment, the sixth for relations between the party and the masses, and that the approaching seventh is for solving the problem of development strategy.** This autumn, the State Planning Commission drafted the “Eighth Five-Year Plan,” and solicited opinions from various quarters. Thereafter, the plan was again elaborated at the meeting of provincial governors before “1 October.” The crucial point of it is how to coordinate stability and development, and the relations between rectification and improvement on the one hand, and reform and opening up on the other, and

to materialize Deng Xiaoping’s goal of accomplishing the second development strategy by the end of this century. It has therefore become the most important political and economic topic and test facing the Jiang Zemin group, which has held power for more than one year.

Personnel Adjustments Unveiled Gradually

In the past two months, the CPC has continually adjusted officials at the provincial and ministerial levels, revealing the new moves made by the Jiang group in arranging cadres. This is not simply to illustrate the central leadership’s authoritativeness by showing that it already has firmly controlled the overall situation, but is also to shift from the emphasis on stabilizing the leadership groups at various levels to the emphasis on increasing political vigor; as Song Ping, who is in charge of personnel affairs, said: “It is beneficial to allowing cadres to endure tests in a wider domain, to broaden their perspectives, accumulate experience, and increase ability.” He advocated extensive exchanges between cadres, that “there can be regional exchanges, as well as exchanges between posts.” When leading cadres work in a locality or perform a certain job for a long time, their knowledge and experience will be limited. If a locality or department selects cadres only from the same locality or department, then, due to “inbreeding,” degeneration is inevitable.

At present, within the CPC’s senior organs in charge of party affairs, Ding Guangen, who replaced Yan Minfu as head of the CPC Central Committee United Front Work Department; Jiang Minkuan, executive deputy head of the CPC Central Committee United Front Work Department; Lu Feng, who replaced Song Ping as head of the CPC Central Committee Organization Department; Wen Jiabao, director of the General Office of the CPC Central Committee; Zeng Qinghong, deputy director of the General Office of the CPC Central Committee; Wang Renzhi, head of the CPC Central Committee Propaganda Department; Xu Weicheng, executive deputy head of the CPC Central Committee Propaganda Department; and Zhu Liang, head of the CPC Central Committee International Liaison Department, etc, are men in their sixties, the leading cadres of the third generation. The adjustment of leadership groups of various ministries, committees, and offices within the State Council also maintained the trend of “becoming younger.” He Kang, the very senile minister of agriculture, and Ji Pengfei, the director of Hong Kong and Macao Affairs Office who is more than 80 years old, resigned one after the other. What is noteworthy is that Wang Zhaoguo, former Fujian governor, has gone to Beijing to replace Ding Guangen as director of State Council Taiwan Affairs Office. This move indicates that Ding Guangen will completely separate from government work and will devote efforts to the CPC’s united front work. Therefore, the move reveals that the Jiang Zemin group will still adhere to the principle of political restructuring aimed at “separation between government and

party" proposed at the "13th CPC Congress." Information has it that the CPC Central Committee Taiwan Affairs Office, which is under the CPC Central Committee Leadership Group for Taiwan Affairs which is subordinated to Yang Shangkun, will also be merged with the State Council Taiwan Affairs Office.

Four Prominent Political Figures Are Expected to Join the Central Authorities

There can be no doubt that alongside the convention of the seventh plenary session, the adjustment and exchange of officials at the senior level will be conducted in a wider scope. It should also be noted that the 17-member Political Bureau produced by the "13th CPC Congress," was originally an elite group with members who had their respective duties and who should have met according to a fixed schedule to discuss decisions; however, after Hu Yaobang died, and since Zhao Ziyang and Hu Qili were dismissed from their posts, there are three vacancies. If these vacancies are not soon filled, then this will be hard to explain. No matter if it is Jiang Zemin or Song Ping, they have repeatedly stressed the importance of assessing and promoting leading cadres. Recently, in the CPC's political arena, among those who have growing influence and who have revealed the importance of their duties, are **Zou Jiahua, Ding Guangen, Song Jian, and Zhu Rongji**, who are very eye-catching. Starting from the seventh plenary session, to the National People's Congress and the Chinese People's Political Consultative Conference next spring, the discussion and adoption of new personnel arrangements will become unavoidable topics.

The Conclusion of the Investigation into Zhao Will Not Be Light

It has been more than a year since the fourth plenary session formally announced a "continual investigation" into the case of former general secretary Zhao Ziyang. This time, the senior level of the CPC hopes to conclude the chapter of the 4 June incident, and it has to reach a conclusion on the result of the investigation, otherwise, it indicates that the case is not over.

Public opinions overseas holds that the postponement of the seventh plenary session means different opinions on the arrangements for Zhao within the senior level of the CPC. But the political commentators in Beijing think that under the Jiang Zemin group, if the conclusion of the 4 June incident remains unchanged, there will be no chance for Zhao Ziyang to come out again.

QIUSHI, the CPC's theoretical journal, carried an article in its 22d issue entitled: **"Strengthen Party Building Within Institutes of Higher Learning, Train Successors to Socialist Undertaking,"** written by Li Tieying, who is a member of the Political Bureau. In the article, there is a paragraph which is very important, mentioning the problem of the two former general secretaries, Hu and Zhao. "Because the major responsible comrade of the CPC Central Committee at that time did not explicitly

uphold the four cardinal principles and opposed bourgeois liberalization, the thought of bourgeois liberalization ran rampant, and a student movement occurred at the end of 1986." Here, he criticized **Hu Yaobang, without pinpointing his name.** "Thereafter, Comrade Zhao Ziyang 'played down' the leadership of the party, 'modified' ideological and political work, slackened socialist spiritual civilization construction, and adopted a conniving and supportive attitude toward the thought of bourgeois liberalization, to the extent that this error flooded in more rampantly." Here, the words could illustrate the conclusive remarks for Zhao given by the senior level of the CPC headed by Jiang Zemin. Although the problem of "splitting the party" is not mentioned, Zhao's error is not confined only to the disturbance in last summer, but to the whole period when he was the general secretary.

From what is mentioned above, we can see that the CPC holds a two-side view on Zhao Ziyang, and that is: His problem is an error within the party, so he is still called "comrade," meanwhile, his error is serious, just as Song Ping—the man in charge of the investigation into the case of Zhao Ziyang—said, he had "caused a great and irretrievable loss to the party." Because of this, it is unrealistic to expect Zhao Ziyang to come out again under the current conditions. In the past, Hua Guofeng stepped down because of "two whatevers" and "learning from Western countries too radically." Although he still retained membership of the CPC Central Committee, he was never arranged a post which could allow him to turn up in public. This is not to mention Zhao Ziyang, who has been stripped of all party titles.

The Four Cardinal Principles Are Still Being Upheld

Jiang Zemin said during a recent inspection trip to a college: "I further understood one point when handling the incident of SHUIE JINGJI DAOBAO in Shanghai last year. At that moment, SHUIE JINGJI DAOBAO pointed its spear at the CPC Central Committee and Comrade Deng Xiaoping. If it had been allowed to carry on, it would have had a great impact on our country. Last year, we resolutely stopped the disturbance and quelled the riot, and that was of great benefit to our country's long-term stability and peace. Had we not gone through that turmoil, we would not have been as sober as we are today." This indicates that the CPC will strengthen the education on the ideological line of the "four cardinal principles" within the party. In particular, it will be on the alert against the activities of "peaceful evolution" waged by the West to win over the youth. Therefore, the CPC claimed that the party's leadership position within higher learning institutes can only be strengthened and improved, and not weakened or shaken. At present, Mainland China has 1,075 higher learning institutes, among which some 100 have been affected rather badly. The senior level of the CPC demanded that provincial CPC secretaries, State Council's ministers, and the responsible persons of the State Education Commission, should personally grasp a college they chose, and strive to basically change the ideological, political, teaching,

research, and administrative situation in 100 colleges in three to five years. The CPC also clearly stipulated that party committees have a leadership position in the colleges. **From now on, higher learning institutes in principle should practice the college president responsibility system under the leadership of party committees.**

There Must Be Opening Up on the One Hand, and Objection to Bourgeois Liberalization on the Other

Deng Xiaoping still insists that the Third Plenary Session of the 11th CPC Central Committee decided to implement the policy of reform and opening up, and at the same time demanded a curbing of the trend of liberalization. This is a mutually linked problem; if the trend is not checked, the policy of reform and opening up cannot be implemented.

The CPC Central Committee Propaganda Department says it is necessary to theoretically criticize the "theory of political pluralism," the "diversification of truth," the "theory of individual departmentalism," the "theory of omnipotent market," the "theory of restraint by division of power," and other such liberalization idea; and only by doing so can the party's ideological and political line be straightened out, and the socialist road be staunchly followed. To grasp the "orientation of public opinion," the CPC decided to strengthen leadership over the press and media, and a new press office will soon be established in the State Council.

A Senior Party Member Writes An Article, Fixing the Tone of Literature and Art

According to information, the National Conference on Cultural Work, which had originally been scheduled for November, was delayed due to the postponement of the seventh plenary session. In Beijing, newspapers continue to carry important articles criticizing the "theory of literary mainstay," the "stripping of literature and art of ideology," and the "River of Elegy" culture. Bo Yibo, vice chairman of the Central Advisory Commission, wrote an article which said: Literature and art will serve the proletariat if grasped by the proletariat, or serve the bourgeoisie if grasped by the bourgeoisie. He Jingzhi, deputy head of the CPC Central Committee Propaganda Department and acting minister of culture said that on the premise of upholding the principle of "two doings" and "double hundred," the relations between the main rhythm and diversification of literary creation must be handled properly. "We must restore the strength of revolutionary realism and romanticism, and advocate again the literary method based on "integrating both."

There are indications that other than discussing the plan for economic development, the seventh will also discuss a series of problem of principle and policy involving political theory, culture and art, society and education, etc, in the ideological field.

Speeding Up Economic Reform

Upholding reform and opening up, and boldly suggesting reform ideas, were Deng Xiaoping's repeated advice to

Jiang Zemin when promoting him as the General Secretary of the CPC. At a Political Bureau meeting in April 1979, Deng made it clear that he would support the implementation of special policy in Guangdong, saying that "it is still good to run special zones; in the past, Shaanxi, Gansu, and Ningxia were indeed special zones, when the central authorities had no money and they were told to do it themselves, and they cleared out a bloody path." The next year, the CPC sent its first inspection group, headed by Jiang Zemin, deputy head of the National Import and Export Committee, to Asia, Europe, and America, to look at the advantages and disadvantages of special zones, development zones, processing zones, and bonded zones. Thereafter, it was suggested that export-orientated special economic zones be established, with industry as the mainstay, with integration of industry and trade, and with comprehensive development of tourism, agriculture, and other businesses. These zones were to become modern cities with advanced technology, civilized life, and affluence; places with hundreds of thousands of merchants, and export bases leading to the world. Therefore, when Jiang Zemin inspected the three special zones in Guangdong this June, he made clear his stance on the controversy of whether the establishment of special zones is "road betraying the country" or a "road to affluence": **If the special zones have any problems, then I am one among those to be blamed. The policy of running special zones is totally correct. The policy of reform and opening up is totally correct.**

Eight Problems Are Still Waiting To Be Discussed

At present, the senior level of the CPC and academic circles have started a new round of discussion on how they should speed up reform and opening up. Some well-known scholars and experts have made speeches and written articles. Recently, the responsible persons of the CPC Central Committee Propaganda Department also said that there are eight problems which should be further discussed:

- 1). The problem of how to change the situation of distribution of national income overly inclining to individuals;
- 2). The problem of how to handle the relations between the central authorities and localities, and between centralization and diversification properly;
- 3). The problem of how to materialize structural adjustment, and how to look for the reasons from mechanism, work, and system, for materializing structural adjustment;
- 4). The problem of how to improve enterprise contracting system, so as to enable enterprises to have vigor and dynamic on the one hand, and pressure on the other, to embody socialist public ownership and people as the master, and to develop the role of operators;

5). The problem of how to change the irrational price system and reduce subsidies; now is the best chance to change the price system;

6). The problem of wages. At present, there are three million people who have ceased working and are waiting for jobs. In the period of the "Eighth Five-Year Plan," the number of additional unemployed will increase to 35 million; on the average, each year will add seven million. The distribution of wages is irrational, upside down, and should be looked into;

7). The problem of how to build a social welfare system. If this problem is not solved, the results will be bad;

8). The problem of how to concretely and properly solve the problem of the integration of planned economy and market economy.

According to information, the "key point" in the current economic work has already been shifting to the track of increasing economic returns. The measures include the efforts to explore the market, invigorate circulation, and reduce overstocking; the efforts to upgrade quality of products and adjust product structure, and the efforts to increase investment demand, and gather funds, especially the funds for technological transformation, so as to materialize growth and increase in returns.

The Reform Policy During the Period of the "Eighth Five-Year Plan"

As for the reform policy during the period of the "Eighth Five-Year Plan," **The senior level of the CPC thinks that rural reform should continue to stabilize the household contract system of responsibilities linked to production,**

and to actively develop socialized service. The latter is called a key point in, and direction for, deepening rural reform in the future. Collective socialized service will group the households with contracted responsibilities linked to production into a two-fold operational mechanism which integrates distribution with centralization, and this will create a new road for agricultural production, as well as injecting into it with new vigor. Gao Shangquan, vice minister of the State Commission for Restructuring the Economy, said the main duties of reform during the period of the "Eighth Five-Year Plan" include four aspects: Deepening of enterprise and price reform; improvement of macroeconomic regulation and control; social insurance reform; and housing reform.

Price reform has to solve the problem of "double track," gradually expand the commodity domain on market, and improve productive factors market, including real estate market, technology market, funds market, and stock market. Through reforming the current system of funds rationing, transform to the perfect system of tax distribution, organically integrate the current system of funds rationing with the system of tax distribution, and coordinate the relations between the central authorities and localities. At the same time, strengthen the central bank's role in macroeconomic regulation and control, and strengthen the role of currency and credit in regulating and controlling the economy. Build a social insurance system with burden reasonably divided among the state, enterprises, and individuals. Change the situation of housing as a welfare and, under the conditions that will be no increase in the state's cash expenditure and in the burden for staff, adopt methods to increase rent, and try to transform to commercialized housing step by step in 15 years.

Political & Social

Professor Released After Year of 'Surveillance'

HK2412063490 Hong Kong MING PAO in Chinese
24 Dec 90 p 2

["Newsletter from China" by Hai Tang (3189 2768): "After 'Living Under Surveillance' for Over a Year, Noted Intellectual Wen Yuankai Was Released Last Week"]

[Text] Noted intellectual and Chinese University of Science and Technology [CUST] Professor Wen Yuankai, who had been "living under surveillance" [jian shi ju liu 4148 6018 1446 3966] by the authorities in Anhui's Hefei for over a year, regained his freedom last week. Wen Yuankai said he was well physically and comfortable in mind, and hoped that he could continue academic research without discrimination.

The moderate reform theorist had been "living under surveillance" for one year and three months. He was first placed in a secret place on the CUST campus, and then transferred to the Armed Police Guest House. On 17 December he was released, and returned to his home at the CUST.

Wen Yuankai said: "During my 'living under surveillance,' I was fairly well treated. I was allowed to read newspapers and watch television, and I received letters from family members and academic correspondence from some international academic organizations. However, my family members were not allowed to visit me." During this time, he learned Japanese on his own by television courses, and translated a 200,000-character scientific treatise.

Wen Yuankai, 44 years old, is a quantum chemist, and has worked at Hefei's CUST. He took a moderate stand in last year's student movement. After the 4 June incident, the Chinese Government "thoroughly investigated and seriously handled" the problems he had in connection with the student movement, holding him to have long been "stubbornly sticking to the bourgeois liberation stand."

After Wen Yuankai's release, the university authorities stated that he could continue with academic research. Nevertheless, Wen Yuankai has not yet resumed work, and no arrangement for academic research has yet been made either. He hoped he would fix the matter after a visit to his relatives in Shanghai during the Spring Festival.

Wen Yuankai said that he wished to continue with research on computer-designed anticancer medications, for which he had already spent 10 years' time, published over 100 treatises, and wrote some special articles.

Wen Yuankai hoped that he would not be discriminated against when doing academic research in the future. Although relevant authorities told him that the central

authorities had decreed that publication of his academic works would not be allowed, Wen Yuankai said he did not believe in this and therefore would write a letter to Beijing to inquire into the matter later.

Earlier, Wen Yuankai's two academic works were sent to publication houses for printing, but they have not been published yet. One is entitled "Computer Adjuvant Design" and the other is "Structure and Functions of Inorganic Substance."

Besides wishing his academic works to be published, Wen Yuankai also hopes that his former graduate students will continue to receive his lecturing, his former laboratory will be returned to him, and his scientific research expenses will be paid.

After experiencing life in a "box"-like environment for over one year, Wen Yuankai said that he needed rest both in body and mind before continuing with his research. Owing to lack of activity for over one year, he now walks with aching legs. Moreover, he will have to review the previous year's foreign academic papers and magazines.

Wen Yuankai estimates that the authorities will probably transfer him from CUST to Shanghai. And in the past, he also expressed his hope to return to Shanghai. If he is to be transferred to Shanghai, he hopes he can be placed in Shanghai Social Science Academy's Pharmaceutical Chemistry Research Institute so he can use his talents. He said, wearing a smile: "I hope they will not have me sell food tickets. If so, I would rather be a street vendor selling tea eggs!" After his release, Wen Yuankai is not depressed. He feels optimistic about China's future and about his efforts for the country.

Wen Yuankai was released at a time soon after he was rumored by people abroad to be lost and mentally unsound. He expressed great gratitude to his overseas friends for their concern. He said: "People are concerned about me and about China as well."

Li Peng Inspects Hainan After Asia Trip

OW2212103290 Beijing XINHUA Domestic Service
in Chinese 1344 GMT 21 Dec 90

[By reporters Ma Shengrong (7756 0524 2837) and Tian Chuan (3944 1557)]

[Text] Haikou, 21 Dec (XINHUA)—During a stopover in Haikou after successfully winding up his tour of four Asian countries, Premier Li Peng of the State Council inspected the Yongwan and Jinpan Industrial Development Zones in Haikou City this morning. He also listened to the work reports of the Hainan Provincial CPC Committee and the Hainan Provincial Government.

Premier Li Peng had visited Hainan four years ago. He expressed heartfelt pleasure at the tremendous changes that have taken place since then.

While visiting the Hainan Automobile Parts Factory, Premier Li Peng made detailed inquiries about the factory's construction and production efforts. He also inspected some workshops at the factory.

After a briefing by Comrades Deng Hongxun and Liu Jianfeng, respectively provincial party committee secretary and governor, Premier Li Peng said: The central government will not change its basic policy on the Hainan Special Economic Zone. It is necessary to continue to build the zone in accordance with the principle of "stressing the introduction of foreign capital." It is also essential to find ways to open up whole areas through the development of Yangpu, and to continually sum up experiences. Yangpu should be developed step by step. In the course of development, attention should be paid to providing policy guidance to investors. Above all, efforts should be made to build infrastructure. In bringing in capital and technology, attention should be paid to importing knowledge. Premier Li Peng stated: Only by promoting education can we better develop our economy. It is essential to stress the training of professionals as a way of constantly improving the quality of the work force. He added: Recently, the Hainan Provincial Party Committee and the Hainan Provincial Government successfully eliminated ugly social phenomena and fostered fine social conduct. It is necessary to keep up the good work.

Premier Li Peng said: With its small population, rich natural resources, and fine climate, Hainan has good prospects for developing agriculture. First of all, it should strive for self-sufficiency in grain. Attention should be paid to importing fine varieties and to vigorously developing tropical and subtropical crops.

He expressed the sincere hope that Hainan provincial party and government leaders will unite as one, help each other, work conscientiously, establish close ties with people of all nationalities in the province, and work hard to develop the Hainan Special Economic Zone into a socialist special economic zone that is economically developed and spiritually advanced. At the request of provincial party committee leaders, Premier Li Peng wrote the following inscription: "Rosy Prospects for the Hainan Special Economic Zone."

Qian Qichen, minister of foreign affairs, and Chen Jinhua, minister in charge of the State Restructuring of the Economic System Commission, accompanied Premier Li Peng while he was inspecting and listening to reports. [Haikou Hainan Provincial Service in Mandarin at 2300 GMT on 21 December, in its report on Li Peng's visit, notes that Li Lanqing, Vice Minister of Foreign Economic Relations and Trade; Tao Siju, vice minister of public security; Xu Dunxin, assistant minister of foreign affairs; and "others" accompanied Li on his tour of the province.]

NPC Standing Committee Session Continues

OW2212003790 Beijing XINHUA Domestic Service
in Chinese 1101 GMT 21 Dec 90

[Text] Beijing, 21 Dec (XINHUA)—The 17th Session of the Standing Committee of the Seventh National People's Congress [NPC] held panel discussions yesterday afternoon and today on the draft law to protect the handicapped; the NPC Standing Committee's draft resolutions on banning drug abuse and on punishing criminals engaged in the smuggling, production, sale, and dissemination of obscene materials; and the draft procedural law for concluding treaties.

There was a consensus among the NPC Standing Committee members that the draft law to protect the handicapped is quite perfect after revision. Therefore, they suggested that the law be approved by the current session of the NPC Standing Committee. They said that the enactment of this law fully manifests the superiority of the socialist system and shows the concern of the entire society for handicapped people. It is good news for the more than 50 million handicapped people and their relatives numbering close to 200 million. It is also a matter of vital significance to social stability, they added.

Some members said that under the present circumstances it would be unrealistic for the state to be solely responsible for the welfare of handicapped people. They said that welfare programs require the concerted efforts of all social sectors. Some members said: It is a major question to protect the legal rights and interests of the handicapped and to prevent the appearance of new handicapped people. Now, because of marriages among close relatives, hundreds of thousands of mentally retarded children are born each year. Other questions, such as environmental pollution, medical problems, and the labor-protection issue, if not well resolved, will also give rise to new handicapped people. Therefore, it is necessary to rely on legal and administrative measures to reduce the number of new handicapped people.

Many members suggested that after the law has been adopted, the mass media should make all-out efforts to publicize it so that everyone will know about it. Then, the entire society would respect, be concerned about, and protect the handicapped, thus developing good social practice. Some members said that since the work for the handicapped involves many areas, it is necessary to establish a work coordination organization to ensure the smooth implementation of the law to protect the handicapped. Proposals to revise the wording of certain articles were also made by some members.

When discussing the NPC Standing Committee's two draft resolutions, the members were in favor of early enactment and promulgation of the two resolutions. They said: Drug abuse brought grave disaster to our country in the past. The lessons in this regard are extremely intensive. Today, instances of smuggling and selling drugs and of drug addiction have reappeared in some localities, seriously affecting the healthy growth of

the young generation. Owing to this, some people have even committed crimes. This deserves our great attention. We must use legal means to deal a resolute blow to such illegal and criminal activities as smuggling, selling, transporting, or producing drugs. In no way should we allow drugs once again to go unchecked on Chinese land.

Some members said that in order to thoroughly eliminate drug abuse, it is necessary to severely punish, according to law, those criminals smuggling, selling, transporting, or producing drugs. There should be absolutely no soft-heartedness in dealing with them.

The members expressed the opinion that obscene materials are astonishingly harmful to young people and greatly spoil the social mood. Therefore, it is necessary to use legislation to deepen the current struggle against obscene materials and the "six vices"; to make it a general social practice to resist the harmful effects of obscene materials; and to give due punishment to criminals using obscene materials to reap colossal profits or commit crimes.

The members offered some suggestions to revise some parts of the two draft resolutions.

The members said that the revised version of the draft procedural law for concluding treaties is relatively mature and will help our country develop friendly exchanges with other countries of the world and enhance friendship with people on the basis of our independent foreign policy. They agreed to have the draft law approved by the current session of the NPC Standing Committee.

Draft Law on Treaties Discussed

*OW2212133090 Beijing XINHUA in English
1312 GMT 22 Dec 90*

[Text] Beijing, December 22 (XINHUA)—The draft procedural law for treaty conclusion, which has been revised, will contribute greatly to China's diplomatic contacts with other countries, legislators said here today.

They suggested that the draft law, the first of its kind since the founding of the People's Republic of China in 1949, be passed by the ongoing 17th Meeting of the Standing Committee of the National People's Congress (NPC) here.

Delegate Yang Leiyu said that the drafting of this law is another symbol of China's determination to speed up the construction of its legal system.

Delegate Zhang Wenjing said that China's international contacts have been increasing since it adopted the open policy and started reforms a decade ago, but an updating of the legal framework for such contacts is timely.

Civil Procedure Law Examined

*OW2212164890 Beijing XINHUA Domestic Service
in Chinese 0921 GMT 22 Dec 90*

[Text] Beijing, 22 Dec (XINHUA)—While deliberating the revised draft Civil Procedure Law (tentative), members attending the 17th meeting of the Seventh National People's Congress Standing Committee [NPC] pointed out that after trial implementation for more than eight years, the time is ripe for making proper supplements and revision to the law.

During the panel discussion, members agreed that the Civil Procedure Law is one of the basic laws of the state, and that the law is very important for protecting the legitimate rights and interests of citizens and corporate bodies in civil affairs, safeguarding social stability, promoting the wholesome development of a socialist commodity economic order, and ensuring the smooth progress of reforms and opening up as well as the socialist modernization construction.

Some members pointed out: Supplementing and revising the Civil Procedure Law after its trial implementation and on the basis of summarizing experience from its practice shows that China is very prudent and serious in its legislative affairs. The revised draft law is more in line with the reality and has better provisions regarding the jurisdiction issue, parties involved in lawsuits and questions of joint lawsuits, judicial procedures and obtaining evidence, and in implementation. In particular, the clear stipulations on the limits of authority to accept and hear cases and the time limit to hold trial on them can help solve problems pertaining to the difficulty in filing lawsuits and the procrastination in handling them.

It is the consensus of members that the practice has proved the correctness of the basic principles and legal systems stipulated in the Civil Procedure Law (tentative), and that the specific stipulations on procedures are feasible and useful for the people's courts in handling civil lawsuits. Along with the progress in reform and opening up and the development of a commodity economy, new circumstances and problems and a host of economic cases and disputes have cropped up. Meanwhile, the NPC and its Standing Committee have successively formulated a number of laws related to civil affairs, and the people's courts have accumulated much experience in the eight years of practice. Therefore, it is necessary to make some proper supplement and revision to the Civil Procedure Law (tentative).

Some members noted that people's courts in a few localities have encountered relatively difficult problems in handling civil lawsuits. The members pointed out: Implementation, which is a major link in the judicial work, has a vital bearing on the dignity of the law and court; it can effectively protect the legitimate rights and interests of citizens and corporate bodies, and ensure normal social and economic order. The members approved the stipulations on compulsory execution,

which are added to deal with certain problems in the implementation of the revised draft law.

During the examination, members also made suggestions for revising some articles in the revised draft law.

Wan Li on Handling Letters, Visits

OW2112175290 Beijing XINHUA in English
1558 GMT 21 Dec 90

[Text] Beijing, December 21 (XINHUA)—The Standing Committee of the National People's Congress (NPC) and the congresses at all levels attach great importance to the work of handling letters and visits from ordinary people.

It is learned that Wan Li, chairman of the NPC, urged the offices handling letters and visits under the people's congresses at all levels to tackle the problems outlined in the letters and meet visitors in a serious and conscientious way.

The offices under the people's congresses at all levels handled 80,000 letters and met a total of 14,000 visitors last year, said an official of the Letters and Visits Handling Bureau of the NPC's General Office.

Among the letters and visits, about 60 percent involve criminal, civil and administrative cases, he said.

He explained that the offices, with the help of other government departments, have solved problems raised in letters and by visitors in accordance with state laws and the party's policies.

The offices serve as a window for government organs and leaders to learn about various problems, people's concerns and changes in the grass-roots situation, the official added.

According to statistics, about 20 percent of letters and visits raise suggestions for and criticism of government officials.

Need Seen To Revitalize Political Bureau

HK2212020190 Hong Kong SOUTH CHINA
MORNING
POST in English 22 Dec 90 p 5

[From the "Saturday Review" section; by David Chen]

[Text] The much delayed seventh plenary session of the Chinese Communist Party's Central Committee is due in a few days. While the main topic is the country's economy, personnel changes in the Politburo continue to be the focal point for debate.

Since the tragic events of June 1989, the Politburo has remained dormant and hardly met to resolve any major party and state issues.

Most of the decisions were taken among the new Standing Committee of the Politburo after consultation with some of the elder statesmen, headed by Deng Xiaoping.

Indeed, some analysts argue that the Politburo has not been functioning effectively since the 12th National Party Congress in 1982 when almost all major decisions were made by Deng, Hu Yaobang as party General Secretary and Zhao Ziyang as Prime Minister, in what one noted sinologist described as the "iron triangle".

That triangle collapsed with Hu's resignation in 1987, Deng's departure from the party Central Advisory Committee, and Zhao's removal in the wake of the Tiananmen Square incident.

Instead of the Politburo resuming its function and authority in the wake of these events, it fell into disuse. With three of the 17 seats remaining vacant by Hu Yaobang's death and the removal of Mr Zhao and liberal ideologue Hu Qili and three of the remaining members promoted to the Standing Committee, there was hardly any need for the Politburo to meet to resolve party matters as the "heavy-weights" in the Standing Committee took over almost all decisionmaking.

The six Standing Committee members are Jiang Zemin, Li Peng, Qiao Shi, Yao Yilin, Song Ping and Li Ruihuan.

Among those who are not in the top six, only President Yang Shangkun continues to wield much power and influence. Wan Li, the chairman of the National People's Congress, Wu Xueqian, the vice-premier whose son was involved in the June 4 incident, and General Qin Jiwei, the defence minister, are hardly effective because of their association, albeit indirectly, with June 4.

The other four, Beijing party chief Li Ximing, Sichuan party chief Yang Rudai, vice-premier Tian Jiyun and State Education Minister Li Tieying, have never exercised much influence, in any case.

If the leadership with new party General Secretary, Jiang Zemin, as the core were to function effectively, as Mr Deng has frequently exhorted the whole party, it is imperative that the depleted Politburo must not only be replenished, but also be allowed and seen to be exercising its functions.

After 1-1/2 years of indecision, the matter should have been resolved with both the removal of some of the ineffective members and addition of new ones from the Government and the provinces.

There has been much talk over the past few months that several senior central and provincial leaders are due for promotion to the Politburo.

Among them are the minister of the State Planning Commission, Zou Jiahua, who took over the post from senior vice-premier Yao Yilin, the foreign minister, Qian

Qichen, who has successfully striven to regain the country's prestige after the Tiananmen Square incident, and the Shanghai party chief and mayor, Zhu Rongji.

There have also been rumours that even the Guangdong governor, Ye Xuanping, may join the Politburo after succeeding Lin Ruo as the province's party secretary.

While such promotions are logical, the matter remains undecided both due to the reluctance of some of the members to accept the post and attempts to have other candidates placed in the august body.

Li Peng, a major figure in the Tiananmen Square incident, was said to have advocated admission to the Politburo of the State Council's Secretary General, Luo Gan.

He also suggested that the State Council's spokesman, the notorious Yuan Mu, be made a member or alternate member of the Central Committee. These suggestions, it was reported, had met strong objections.

There the impasse remained.

Nevertheless, if the party were to function efficiently, it is paramount that the Politburo be able to function properly, rather than leaving important decisions in the hands of a few men in the Standing Committee.

Hence, although the coming plenum is not likely to discuss major personnel changes, there is a possibility that another plenum should take place before the annual session of the National People's Congress next March.

Reliable sources also disclosed that the Foreign Ministry is to undergo major changes.

The new foreign minister will be Liu Huaqiu, who has specialised in Asian affairs.

A rejuvenation programme is also under way, with the further phasing out of elderly officials and promotion of younger ones.

Li Xiannian Prefaces Socialism 'Pen Talk'

*HK2112085390 Beijing RENMIN RIBAO in Chinese
18 Dec 90 p 1*

[Article by Li Xiannian: "Preface to 'Only Socialism Can Develop China Pen Talk'"]

[Text] The special column entitled "Pen Talk: Only Socialism Can Develop China," started by RENMIN RIBAO, has been well received by readers. Having paid much attention to the articles carried by this special column, I consider it a success. It is imperative for the newspaper, as the party organ, to publicize the party's program, line, principles, and policies. At the current stage, special attention should be given to vigorously guiding the vast numbers of cadres and masses to study the socialist theory to strengthen their faith in socialism and enable them to carry out an indomitable struggle to build socialism with Chinese characteristics. It is a

significant event that the RENMIN RIBAO Editorial Department has, at the request of various circles, compiled and published the collection of articles carried by "Pen Talk." The editorial department asked me to write a preface for the book and I am delighted to do so.

Socialism is a brand-new social system in human history. Since the day of its birth, socialism has met various kinds of blames and challenges. As a veteran soldier campaigning for half a lifetime, as well as a participant in the great struggle to create and build New China, I unswervingly believe that socialism will ultimately achieve its success. Socialism is the historic choice of the Chinese people, and will surely become the choice of people throughout the world. Although it will undoubtedly undergo a considerably long historical process, this general trend of social development is unalterable by any force.

Some people still find incomprehensible certain phenomena that have taken place in the current world. This has its roots in their confused understanding of the theory of social development. Theory is a precursor, a key to various ideological problems. Comrade Mao Zedong said: "The theoretical basis guiding our thinking is Marxism-Leninism." Only when we master Marxist theory, and use it to analyze domestic and international situations can we grasp the essence of things and obtain a clear understanding on the law of history. It is imperative for us communists to talk about a matter in isolation and convince people by force of argument. In order to help people never get lost or waver under any circumstances, we should make socialist theory clear to them. Just as our forefathers said: "The reason why one is not afraid of his eyes being blinded by floating clouds is that he is on the peak," only when one stands on a high plane can he see far ahead. As long as they are armed with the scientific theory of socialism, people will be able to resist the corrosive influence of erroneous trends of thought, and never lose their way in the face of unpredictable, unchecked, and congested gathering of clouds in the world. RENMIN RIBAO has done something useful in this regard, and I hope the whole party will set out to attach importance to theoretical study and theoretical propaganda work.

'Pen Talk' on Superiority of Socialism

*HK2312011190 Beijing RENMIN RIBAO in Chinese
12 Dec 90 p 5*

["Pen Talk" article under the heading "Only Socialism Can Develop China" by Ning Yushan (1337 3768 1472), professor of China People's University: "The Socialist System's Historical Achievements Cannot Be Obliterated"]

[Text] How do we appraise socialism's history, which is 70 years long? This is the focus of struggle in the ideological field under the current situation. The agents of the Western bourgeoisie and the so-called "elite" in

our country, who are advocating bourgeois liberalization, are trying in a thousand and one ways to prove that socialism has met with "serious defeat" in the 20th century. In view of the present complicated and turbulent international situation, some people also have doubts about the socialist system's superiority. Under this situation, it is necessary for us to review the socialist system's historical achievements.

Over the past 70 years since the October Revolution, the socialist system enabled hundreds of millions of people in the Soviet Union, China, and other countries to free themselves from exploitation and oppression. Soon after the October Revolution, the Soviet Union rapidly rehabilitated its damaged national economy and built up a foundation for the socialist economic system's development. It carried out large-scale socialist construction and achieved great successes. From 1928, the Soviet Union began to carry out its five-year plan. In 1938, its industrial output increased by more than 700 percent. Compared with 1913, the industrial output increased by more than 800 percent in 1938, or 908.8 percent over old Russia. But in the same period, the industrial output only increased 20 percent in the United States, 13 percent in Britain, and 31.6 percent in Germany. The establishment of the socialist system and the realization of industrialization laid a sound social and material foundation for the Soviet Union to win the anti-Fascist war during World War II. After the war, despite its great losses and damages, the Soviet Union rehabilitated its national economy at a very high speed. Before the October Revolution, the total industrial output value of Russia was only 6.9 percent of the United States. But this grew to 30 percent in 1950. After that, although some problems occurred in its economic development, a relatively high growth rate was still maintained in the Soviet Union. Its total industrial output value reached 75 percent of the United States in the 1970's and more than 80 percent in the 1980's. The same thing also happened in the other socialist countries. Between 1950 and 1972, the world's total industrial output value increased 432 percent. Of this, the average growth rate of the socialist countries was 842 percent, while that of the developed capitalist countries was only 305 percent.

Since the socialist system's establishment, China's economic development speed is also universally acknowledged. According to the World Bank's statistics, China's GNP increased an average of 6.1 percent annually from 1953 to 1978 and by 9.6 percent from 1978 to 1988. The GNP grew from 67.9 billion yuan in 1952 to 1,385.3 billion yuan in 1988. If price increases are factored and calculated on the basis of comparable prices, it actually increased 1,080 percent. Through the efforts over the past decades, China has basically established relatively perfect and complete industrial and economic systems. Its comprehensive national strength has been raised from 13th place in the world in 1949 to sixth at present. In the wake of economic development, the Chinese people's material and cultural lives have also been gradually improved. Compared with 1952, the 1988 per

capita consumption level increased by nearly 300 percent when calculated on the basis of comparable prices. All this shows that the socialist system has brought about great changes to the state of poverty and blankness of old China and enabled hundreds of millions of Chinese people to advance along the road of prosperity and happiness. History has proved that the socialist system is superior to the capitalist system. Such being the case, why are some people still negating its superiority even to this day? Apart from the influence of the ideological trend of bourgeois liberalization, there are also the following reasons:

—With the development of productive forces, especially, the rapid development of science and technology after the war, the economic life is becoming more and more complicated and diversified. Although in essence, the socialist system is still capable of opening up a broad field for the development of productive forces, the past over-concentrated system can no longer suit the demands of modern economic development. As a result, a trend of slow down and some difficulties has appeared in the economic development of various socialist countries. But at the same time, some developed capitalist countries are in a stage of relatively steady development. This situation requires various countries to carry out reforms in light of their concrete situations and on the premise of upholding socialism so that their political and economic structures, which cannot suit the development of productive forces, can be changed. As people have not made a distinction between socialism as a system and the concrete forms it takes, that is, the political and economic structures of socialism, they can easily attribute the structures' defects to the socialist system and doubt, or even negate, the socialist system's superiority. This is the first reason.

—To explore the law governing socialism's development in their own countries is the task for the people, communist parties, and the leaders of those countries which have won the victory of the socialist revolution. Due to the restrictions in the people's understanding, however, it is unavoidable that all kinds of mistakes, even serious mistakes, may be committed on the road of socialist construction. Under this situation, if the mistakes committed by party and state leaders are exaggerated as overall mistakes, or even as the mistakes of the socialist system, it will inevitably lead to the socialist system's negation. This is the second reason.

—The experiences of various countries in carrying out socialist construction prove that all socialist countries must reform their political and economic structures. This kind of reform can only be a course of self-perfection and development of the socialist system and socialist revolution and cannot lead to the socialist system negation. What merits our attention is that while reforming the political and economic structures, in order to state the necessity of reform, people can easily take an attitude of negating the past in an

oversimplified manner without making a historical and dialectical analysis. For example, when criticizing the old system's over-centralism, we must make a historical analysis. First, in essence, the socialist public ownership requires a certain degree of unity and centralism. Second, in either the Soviet Union or China, the domestic and international conditions required them to establish a comparatively centralized structure after the revolution's victory. Third, these highly centralized political and economic structures played a positive role in the past. Historical events should be placed under the historical conditions of that specific time in order to study them. If we negate everything in the past in order to carry out reform, as if nothing was good in the past 70 years of socialist construction, how can we talk about the socialism's superiority? This is the third reason.

In short, we can gain an objective and correct understanding of the superiority of socialism only when we discard the metaphysical way of thinking.

'Pen Talk' Urges Strengthening Socialist Faith

*HK2412132990 Beijing RENMIN RIBAO in Chinese
12 Dec 90 p 5*

["Pen Talk" under the heading "Only Socialism Can Develop China" carries article by Lu Jining (4151 0370 1337), Associate Professor of the PLA National Defense University: "Thoughts on Steeling the Masses' Faith in Socialism"]

[Text] The tremendous achievements scored by our country's socialist construction over the last 40 years, and particularly in the 11 years of reform and opening up, have gained world recognition. Our country has been turned from a poor, backward, and chaotic semi-colonial and semi-feudal old China, into a new socialist China enjoying the early stage of prosperity, wealth, and power. The broad mass of the people have personally experienced the tremendous change of the face of the nation, their own political turning into becoming a master, and the notable rise in the level of material and cultural life; consequently, they wholeheartedly support the leadership of the party and socialist system. Most of the recent various kinds of doubts and ideological confusion among the masses have been a problem of understanding; for instance, failing to take note of the vast economic, cultural, and social gaps between China in the pre-country founding stage and Western countries, and, as a result, complaining about the causes of the vast distance when our country is compared with Western developed countries; asking questions such as why we have failed to overtake these countries; failing to see the deep-rooted and antagonistic nature of Western countries' economic problems and social contradictions; and therefore, being unable to analyze the partial and flattering propaganda about concerned Western countries, mistakenly believing that the reality and prospects of these countries is one of brightness. Because the masses lack a comprehensive and correct understanding of our country's rural

and urban grassroots situation (including party and government style), they generalize from particulars, and mistakenly believe that our country's rural and urban grassroots situation is terrible. Because they did not sufficiently evaluate the enormity of the difficulty of reform undertakings, situated as it has been in the initial stage of the socialist development, when reform fluctuates, or when the downside or negative things which come with the achievements of reform surface, they feel that things are beyond their understanding.... All these problems can be resolved through proper education in the national condition, general situation, anti-bourgeois liberalization, and dialectic and historical viewpoints and so on, and in particular, through improving and straightening out our work. None of these problems have ever been of a nature involving fundamental stand; on the contrary, one of the elements that make up these problems has been precisely the masses' urgent wish to build a better socialism and develop our country into a wealthier and stronger one. Only a very small minority has really vacillated in their faith in socialism.

In a word, we should view the ideological problem current among the masses in a manner of seeking truth from fact: We will neither deny nor ignore the genuinely existing doubts and ideological confusion among the masses, faced as we are with the current domestic and international situation, nor will we exaggerate the seriousness of such problems, much less panic and feel lost for action. We must trust our party and believe that it carries supreme authority among the masses, and that the socialist system is rooted deeply in the people's hearts. If we can identify the intellectual veins of the masses, including those of the young men, then, through in-depth and extensive ideological and political work, we will certainly resolve various ideological and intellectual problems among the masses in a better manner and thus further steel their faith in socialism.

Aimed at the doubts and ideological confusion among the masses in connection with current domestic and international situations, the central tasks for the current political and ideological fronts are learning, studying, discussing, and clarifying certain basic issues in socialism and steeling the masses' faith in it. Such tasks also carry profound significance for socialist theory and practice. Our party has certain experience and lessons, and has scored some results as regards to launching education in socialist faith in urban and rural areas. Now, our party is equipped with richer experience in opposing both the erroneous rightist and "leftist" tendencies, and we firmly believe that the current study of some of the basic issues concerning socialist theory launched in urban and rural areas across the country, will definitely produce positive and profound influence on our country's socialist cause and the international communist movement.

Spelling the situation out in a manner of seeking truth from facts and analyzing problems are the two necessary elements in effective ideological and political work. In the early 1960's, our country ran into enormous difficulties but, because the party and government informed the

people clearly of the causes of the difficulties and made clear to them that these difficulties were serious but not unconquerable, the millions of people stuck closely with the party and government and together, under extremely poor material condition, proceeded to conquer the difficulties in high spirit and in one heart and one mind; with the result that our national economy rode out the difficulties relatively fast and entered a new era of development. Today, though our country is facing some difficulties, they are very different from those in the early 1960's. If we tell the people clearly what the situation is in a manner of seeking truth from facts, analyze the problems, we will certainly be able to resolve the deep-level intellectual problems in the people's minds and steel their faith in socialism.

The proletarian revolutionaries of the older generation like Deng Xiaoping and Chen Yun attach great importance to party-wide improvement in Marxist theoretical levels and have repeatedly called on the whole party to study Marxist philosophy. Beginning in last autumn and winter, the party and country were gripped by a sweep of enthusiasm for studying Marxist philosophy. The study of Marxist philosophy should be linked with practical situations, and closely connected with learning, studying, discussing, and clarifying certain basic issues concerning socialism. In particular, we should seriously study the Marxist philosophical viewpoint of subjectivity matching with objectivity and should be good at employing it; the universal dialectic viewpoint, the view of practice, history, class, and the masses, and consolidate our and the masses' faith in socialism.

Ours is a great country with a long history and brilliant civilization. Our fellow countrymen, who are hard working, brave, and wise, have made outstanding contributions to mankind. For a long time our country's economy and culture led the world. It was only over the last 200 or 300 years that we became backward. Following the opium war, as a result of imperialist invasions, our country plunged further into the depths of suffering. Following the victory of the democratic revolution won by our country's people under the CPC leadership, our country has been launched once again on a path of national revitalization. We must make use of various appropriate opportunities and occasions, through various appropriate means and ways, to strengthen education in patriotism among the masses and youths in order to invigorate their passion for the motherland and socialism and hatred for imperialism; and to encourage a sense of pride and confidence in our people, especially a sense of responsibility for the people. We must criticize the bad tendencies spread by people engaged in bourgeois liberalization of national inferiority, cursing of our ancestors, vilifying of the motherland, and worship and blindly believing in foreign things. We must give play to a feeling of national justice and propagandize more models and advanced people from various circles who have persistently struggled to launch the country into prosperity, and these people include the model and advanced people among intellectuals. Under

our country's conditions, patriotism and socialism are congruous, compatible, and mutually beneficial. If we strengthen and improve party leadership, strengthen and improve the party's political and ideological work, and combine organically education in patriotism with that in socialism, the broad masses will be fully confident in the prospects of the socialist motherland.

Luo Gan Discusses Party Discipline Inspection

*OW2312070190 Beijing XINHUA Domestic Service
in Chinese 0930 GMT 21 Dec 90*

[By correspondents Liu Siyang (0491 1835 2254) and Wen Jianguo (2429 1696 0948)]

[Text] Beijing, 21 Dec (XINHUA)—The third party discipline inspection work meeting of the central government organs, which ended on 21 December, urged discipline inspection commissions at various levels in the central government organs to follow closely the party's basic line and do a good job in safeguarding the overall interests of the reform and open policy, unity, and stability; thoroughly carry out education on party style and discipline; seriously investigate and punish discipline violations; strengthen inspection and supervision; take steps to improve discipline inspection organs themselves; and further promote building party style, party discipline, and a clean government.

Luo Gan, secretary general of the State Council and secretary of the work committee for central government organs, attended and addressed the meeting. He said: Under the leadership of party committees at various levels, discipline inspection commissions and discipline inspection cadres at various levels in the central government organs have worked closely in line with the central tasks of the party and assisted the party committees in carrying out their heavy tasks of adhering to the four cardinal principles; tightening political discipline in the party; strengthening the building of party style and a clean government; seriously investigating and punishing violators of discipline within the party; strengthening the education on party spirit, party style, and party discipline; formulating rules and regulations; and training discipline inspection personnel. Their high spirits and courage in moving ahead despite difficulties have helped the discipline inspection commissions in the central government organs achieve marked results.

Touching on discipline inspection work for next year, Luo Gan pointed out: Discipline inspection organs of the party should prioritize education on party spirit, party style, and party discipline. He said: The struggle between the four cardinal principles and bourgeois liberalization will continue for a long period. In the course of upholding the reform and open policy and developing a socialist commodity economy, we can withstand rigorous tests only by strengthening party building, intensifying ideological education, unifying the will of the entire party so it will march forward in step, fostering a high sense of organization and discipline, and preserving

the party's purity and militancy. At present, emphasis should be placed on education on the party's political discipline and the maintenance of political stability and unity to ensure a thorough and correct implementation of the party's line, principles, and policies in the new period.

Luo Gan said: Discipline inspection commissions at various levels should concentrate their efforts on cases that arouse strong dissatisfaction from the masses, including the abuse of power for personal gain, bribery and corruption, blackmailing and extortion, serious bureaucracy, and violations of political discipline and discipline in cadre personnel affairs. Discipline inspection commissions at various levels also justly and forcefully should take action against cases where the masses have reacted strongly, such as malpractice in trades and professions, party and government cadres building private housing in violation of discipline and law, and the use of public funds for renovating private houses that exceeds the approved limit.

Luo Gan said: Discipline enforcement departments and party discipline inspection cadres in central government organs strictly should enforce party discipline in a clear-cut way and with a high sense of responsibility, and display the spirit of selflessness and fearlessness in their struggle. They should overcome all sorts of difficulties and hindrances, and firmly deal with various discipline violations.

Luo Gan urged party committees at various levels in central government organs to strengthen their leadership over the work of discipline inspection to ensure that discipline inspection organizations at various levels are exercising fully their functions. They should render concrete support and assistance to the discipline inspection commissions in such work as ideological education, organization, and the investigation of discipline violations. In particular, party committees should show concern and leaders should handle personally the investigation and punishment of major cases. At the same time, discipline inspection commissions at various levels should improve themselves, constantly enhance the quality of discipline inspection cadres, and build a contingent of discipline inspection cadres with strong political awareness, professional competence, moral integrity, and uprightness without stooping to flattery to adapt itself to and fulfill the arduous tasks in the new period.

While the meeting was in session, Liu Liying, member of the Standing Committee of the Central Commission for Discipline Inspection attended the meeting and gave a speech. After affirming the achievements in the work of discipline inspection in central government organs in the past year, she emphasized: The success or failure in building party style and a clean administration in central government organs will have a direct impact on the atmosphere not only of a particular department or

organization but also the entire party and nation. Therefore, central government organs must set a good example in building party style and a clean government.

During the five-day meeting, responsible comrades from discipline inspection commissions of the various departments under the central government organs summed up and exchanged their work experiences this year and studied next year's work schedule. The meeting relayed the guidelines set at the national commendation meeting for advanced discipline inspection organizations and outstanding discipline inspection cadres convened by the Central Commission for Discipline Inspection and urged the implementation of such guidelines.

Zhang Jingyuan and Jia Jun, deputy secretaries of the Work Committee for Central Government Organs; Qu Shouqing, Li Binghe, respectively secretary and deputy secretary of the Discipline Inspection Work Committee for Central Government Organs, attended the meeting.

Article Highlights, Praises Mao Zedong Thought

HK2412110990 Beijing NONGMIN RIBAO in Chinese 28 Nov 90 p 3

[Article by Su Houzhong (5685 0624 6850): "Mao Zedong Thought Is the Banner Guiding China's Socialist Revolution and Construction"]

[Text] The Chinese Communists with Comrade Mao Zedong as their main representative, have combined the universal truth of Marxism-Leninism with China's concrete revolutionary practice. In this way, Mao Zedong Thought was brought into being. Mao Zedong Thought is the application and development of Marxism-Leninism in China. It has been proved to be a correct theoretical principle and a correct summation of experiences of the Chinese revolution. It is a crystallization of collective wisdom of the CPC, and the banner guiding the Chinese revolution and construction. The advocates of bourgeois liberalization distort and attack Marxism, declaring that "in revolution we have to rely on Marxism, but in construction we have to take the capitalist road" and that "the historical task of Marxism has already been completed." In particular, they wantonly attack Mao Zedong Thought, negating its great guiding role in the socialist revolution and construction. All these questions must be made clear through discussion so that we can build socialism with distinctive Chinese characteristics more smoothly.

The Historical Task of Socialist Revolution Has Not Yet Ended; Mao Zedong Thought Is Still an Ideological Weapon For Us To Prevent a Peaceful Evolution Toward Capitalism

After the founding of New China, by uniting the people throughout the country and through hard struggles, Comrade Mao Zedong and the CPC established the socialist system in our country. But we still cannot say that the task of revolution has already been completed. This is because the socialist revolution not only aims at

eliminating the exploiting system and the exploiting class, but also aims at eliminating classes and class differences, and changing the old concepts formed in the past several thousand years. We are still far from completing all these tasks. The revolutionary theories of Marxism-Leninism and Mao Zedong Thought are not outdated. In this respect, the advocates of bourgeois liberalization are making special efforts to oppose and attack the theory on class struggle, which was upheld and developed by Comrade Mao Zedong. They made use of the mistakes Comrade Mao Zedong committed during his later years, which were characterized by the expansion of the scale of class struggle, to denounce the viewpoint of class and class struggle as something "destructive." On this question, we must clearly point out: While discarding the practice of "taking class struggle as the key link" and taking economic construction as the center, we must also adhere to the viewpoint that class struggle will continue to exist for a long time in a certain range, especially the strategic thinking of Comrade Mao Zedong on preventing peaceful evolution. At present, the anti-communist and anti-socialist forces in some developed Western capitalist countries are stepping up their comprehensive offensive against the socialist countries in order to realize peaceful evolution there. Therefore, we must prepare ourselves for carrying out a long-term struggle. We must adhere to many ideas of Comrade Mao Zedong on preventing peaceful evolution, such as adhering to party leadership and the socialist road, training successors to the revolutionary cause, being on guard against the bourgeoisie's attack with sugarcoated bullets, the idea that the proletariat and the broad masses of people must firmly occupy the ideological and cultural positions, the idea that the struggle in the ideological field is a long-term and complicated struggle and will be acute on certain occasions, and the idea that we must work hard to master Marxism. We must understand that only by continuing the socialist revolution and preventing peaceful evolution can we ensure the smooth development of our socialist cause.

In Socialist Construction We Must Not "Take the Capitalist Road," Only Under the Guidance of Marxism-Leninism and Mao Zedong Thought Can We Build Socialism With Distinctive Chinese Characteristics

While opposing the socialist revolution and the theory of class struggle, the advocates of bourgeois liberalization are also doing what they can to advocate the fallacy of "taking the capitalist road in construction." In essence, they are advocating overall Westernization, negating the leadership of the CPC and the socialist system, and trying to establish the capitalist system in China. To realize this purpose, they have to "take the capitalist road," or rely on bourgeois liberalization. Therefore, in the course of socialist construction, they are doing their utmost to negate the guidance role of Marxism-Leninism, especially Mao Zedong Thought, in socialist construction. They openly declare that Mao Zedong Thought is an obstacle for reform and construction.

Facts prove just the opposite. Mao Zedong Thought is a powerful ideological weapon for socialist construction. If it is an obstacle, it is an obstacle for the advocates of bourgeois liberalization trying to realize capitalism. But the socialist construction cannot develop without the guidance of Mao Zedong Thought, which is the banner guiding the Chinese revolution and construction.

Why is that?

Because the soul of Mao Zedong Thought is its stand, viewpoint, and method. There are three basic points in this respect: Seeking truth from facts, the mass line, and acting independently and with the initiative in our own hands. Comrade Mao Zedong applied dialectical materialism and historical materialism in all things the proletarian party was doing. In the long-term revolutionary struggle, the specific stand, viewpoint, and method of the Chinese Communists were formed, which enriched and developed Marxism-Leninism. Seeking truth from facts means to proceed from the reality, link theory with practice, and combine the universal truth of Marxism-Leninism with the concrete practice of the Chinese revolution. This scientific ideological line form a philosophic basis for the current strategic policy of building socialism with distinctive Chinese characteristics. The mass line means to do everything for the masses, rely on the masses in all cases, come from the masses, go to the masses, and systematically apply the Marxist principle that the masses of people are the creators of history in all activities of the party. Acting independently and with the initiative in our own hands means to proceed from China's realities and rely on our own efforts and on the masses in carrying out revolution and construction. Relying mainly on our own efforts, while making external assistance subsidiary, is a main policy of our country in carrying out socialist construction. All this shows that Mao Zedong Thought is still playing a great guidance role in socialist construction. Of course, we must not take a dogmatist attitude toward all remarks of Comrade Mao Zedong. It is entirely wrong, however, to negate the scientific value of Mao Zedong Thought and negate its guiding role in socialist revolution and construction merely because Comrade Mao Zedong committed some mistakes in his later years. Moreover, it is also necessary to make an analysis of those mistakes. Mao Zedong Thought is the crystallization of collective wisdom. Its scientific value cannot be negated merely because Comrade Mao Zedong personally made some mistakes in his later years. The contributions Comrade Mao Zedong had made throughout his life far outweighed his errors. The reason why he made mistakes in his later years was that he had gone against his correct ideas. This was recognized by our party and conclusions were drawn on this question long ago.

Uphold and Develop Mao Zedong Thought, Ensure that Our Cause of Socialist Construction Will Continue To Advance on the Scientific Track of Marxism-Leninism and Mao Zedong Thought

Since the third plenary session of the 11th CPC Central Committee, the Chinese Communists represented by

Comrade Deng Xiaoping has put forth the theory of building socialism with distinctive Chinese characteristics in the new historical period. They have made creative contributions to Marxism on a series of major questions and upheld and developed Mao Zedong Thought. Comrade Deng Xiaoping pointed out clearly: "Since the third plenary session of the 11th CPC Central Committee, we have been restoring the correct things advocated by Comrade Mao Zedong; we have been studying and applying Mao Zedong Thought correctly and as an integral whole. The basic points of Mao Zedong Thought are still those we have enumerated. In many respects, we are doing things Comrade Mao Zedong suggested but failed to do himself, setting right his erroneous opposition to certain things, and accomplishing some things that he did not. All this we shall continue to do for a fairly long time. Of course, we have developed Mao Zedong Thought and will go on developing it." ("Selected Works of Deng Xiaoping," p 246) Adherence and development form a dialectical unity. We must adhere to the basic points of Mao Zedong Thought and cannot talk about development without adhering to these basic points. In the previous stage, some people tried to negate Mao Zedong Thought under the pretext of developing it. We must also develop Mao Zedong Thought so that we may not commit the mistake of dogmatism. Therefore, it is entirely wrong to set adherence to, and the development of Mao Zedong Thought against each other. But what the advocates of bourgeois liberalization did was to set the adherence to Mao Zedong Thought against the adherence to reform. We must understand that the philosophical basis for the socialist reform we have been carrying out since the third plenary session of the 11th CPC Central Committee is the theory on the basic contradictions of the socialist society systematically established by Comrade Mao Zedong. Comrade Mao Zedong held that in the socialist society, the productive forces and the production relations are both suited to each other and contradictory to each other. This is also the same in the relations between the economic base and the superstructure. But in essence, their contradictions are nonantagonistic and can be solved through readjustment, or through reform. In our current socialist reform, we must adhere to the four cardinal principles, because they are suited to the economic base and can promote the development of productive forces. Our reform only aims at readjusting those that are not suited to the economic base. This is a course of self-development and self-perfection of the socialist system. Is the unity between adherence to the four cardinal principles and reform and opening up not a vivid expression of Comrade Mao Zedong's theory on the basic contradictions of the socialist society? Originally, the basic viewpoints of Mao Zedong Thought also implied the meaning of reform. Of course, they have also been developed in the course of reform. For example, we are now handling the basic contradictions of the socialist society with more concrete and more perfect measures. At the same time, we have also corrected certain mistakes and defects in our past practice. This proves that reform is a unity of adherence and development and that

Mao Zedong Thought, with its great vitality, is a sharp weapon guiding socialist construction.

Circular Urges Learning From Fu Xianzhong

OW2412060290 Beijing XINHUA Domestic Service
in Chinese 0948 GMT 21 Dec 90

[CPC Central Committee's Organization Department and Propaganda Department Circular on Launching Activities To Learn From Comrade Fu Xianzhong, an Excellent Communist Party Member (21 December 1990)]

[Text] Beijing, 21 Dec (XINHUA)—Comrade Fu Xianzhong was an excellent member and model propagandist of our party. He faithfully performed the honorable duties of a Communist Party member, demonstrated the great communist spirit, and established the magnificent image of a genuine communist throughout his ordinary life. The CPC Central Committee's Organization and Propaganda Departments decided to launch activities among the broad masses of party members to learn from Comrade Fu Xianzhong.

The late Comrade Fu Xianzhong was a storeroom keeper in Sanlitun Village, Yutian Township, Yutian County, Hebei Province. He joined the revolution in 1945 and the CPC in 1946. He persisted in enthusiastically publicizing the party's policies, reflecting the masses' needs, promoting advanced thinking, and criticizing bad tendencies as a vanguard fighter of the working class over the decades. Through his own words, character, and model actions, he conducted propaganda among the masses and guided them to firmly follow the socialist road until his last moment on earth. He had a staunch faith in communism and strong party spirit, regarding the party's cause as his own life. He was dedicated to his work, always serving others, and never thinking about his own benefit. He worked for the party and the people with utter devotion, even though handicapped, until he died.

The advanced deeds and experiences of Comrade Fu Xianzhong are lively teaching materials for educating the broad masses of party members. We should emulate his firm belief in Marxism-Leninism-Mao Zedong Thought, and his devotion to publicizing the party's policies and stand throughout his life. We should learn how he upheld principles, and armed himself with righteousness in boldly fighting against unhealthy and corrupt phenomena. We should emulate his concern for the collective and his selfless dedication to and wholehearted service for the people. We should also emulate his firm proletarian stance in defending the party and socialism at the crucial moment.

Grass-roots party organizations on various fronts and in various departments should organize party members to seriously study the materials on the advanced deeds of Comrade Fu Xianzhong. Various study programs and party activities should be undertaken to enable party

members to measure themselves against the requirements for party members so they can check whether their own thoughts and behavior are worthy of the honorable title of a Communist Party member, find out where they lag behind, and strive for further improvement. It is necessary to combine the activities on learning from Comrade Fu Xianzhong with the activities of learning from Lei Feng, Jiao Yulu, and other advanced model individuals nearby; with the ongoing education on socialist ideology; and with other activities launched in many places on "doing realistic work for the masses," "adding glory to the party," and "becoming qualified Communist Party members in the new era." We should pay attention to practical results in these activities. We should guide the broad masses of party members to heighten their sense of revolutionary cause and historic responsibility and consciously reject corruption and prevent peaceful evolution. By doing so, they will perform at their best as vanguards and models at their work posts in the course of reform, opening up to the outside world, and development of socialist modernization, and usher in the 70th founding anniversary of the party with excellent results.

Li Ruihuan Addresses Trade Unions Conference

*OW2312073590 Beijing XINHUA Domestic Service
in Chinese 0931 GMT 22 Dec 90*

[Text] Beijing, 22 Dec (XINHUA)—At the fifth national meeting of trade unions on the work of cultural palaces and clubs yesterday, Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, emphatically pointed out: Workers' cultural palaces and clubs should make greater contributions to the development of the two socialist civilizations.

He said: Workers' cultural palaces and clubs have long been the places where the masses of staff and workers have participated in cultural activities and which they regard as their own home. In the 40 years since the founding of New China, workers' cultural palaces and clubs have done many good deeds for the masses of staff and workers. Through various educational activities, they have trained many qualified personnel, some of whom already have made outstanding contributions to the country. In other words, workers' cultural palaces and clubs are an important front for the development of socialist spiritual civilization, as well as important places where the party and trade unions forge close relations with the masses of staff and workers. These venues are schools and paradise, where the masses study, develop their talents, and engage in cultural and recreational activities.

Comrade Li Ruihuan said: The importance of workers' cultural palaces and clubs in the drive for the four modernizations is demonstrated by the fact that, in these places, the broad masses of staff and workers are educated, and the people can enjoy themselves, relax, and acquire renewed vigor to attend to their work. Therefore,

it is wrong for workers' cultural palaces and clubs to neglect their educational function or negate their recreational function. We should seriously summarize the successful experiences accumulated over long periods by workers' cultural palaces and clubs, whose fine traditions should be popularized. In addition, these places should engage in some new endeavors to gain some stimulating experiences and undertake certain necessary reforms according to continuously changing and developing conditions, so as to improve the services for the broad masses of staff and workers.

Comrade Li Ruihuan pointed out: The party and the government have long paid great attention to cultural palaces and clubs. Under the current conditions, party committees and governments at various levels should further care for and support the development of cultural palaces and clubs, and enable them to play a greater role in the development of the two civilizations.

The fifth national meeting of trade unions on the work of cultural palaces and clubs was held in Beijing from 17 to 21 December. At the end of the meeting, leading comrades including Li Ruihuan and Ni Zhifu met with the participating comrades, and extended their respects to the 210,000 trade union cadres working in workers' cultural palaces and clubs throughout the country.

Li Tieying Issues Honor Certificates

*OW2312050990 Beijing XINHUA Domestic Service
in Chinese 1357 GMT 21 Dec 90*

[By KEJI RIBAO correspondent Fan Jian (5400 1696) and XINHUA correspondent Zhao Wei (6392 5898)]

[Text] Beijing, 21 Dec (XINHUA)—The national conference of scientific and technological work of schools of higher learning ended in Beijing 21 December. At today's closing ceremony, a number of advanced units and individuals who have made outstanding achievements were commended by the State Education Commission and the State Science and Technology Commission.

Li Tieying, member of the Political Bureau of the CPC Central Committee and state councillor, attended the meeting today to congratulate the 69 units which won the honor title of "Advanced Scientific and Technological Collective of Schools of Higher Learning of the Country" and some 600 people who won the honor title of "Advanced Scientific and Technological Worker of Schools of Higher Learning of the Country" and issued awards and letters of commendations to representatives of those units and people. At the same time, more than 3,000 veteran professors who have been teaching for more than 40 years and have made significant contributions to promoting higher education were awarded "honor certificates." While issuing certificates to them, Li Tieying expressed his appreciation and thanks to those respectable experts and professors for their outstanding achievements.

At this five-day national conference of scientific and technological work of schools of higher learning, more than 250 representatives of various schools of higher learning summed up achievements and experiences of schools of higher learning in developing science and technology during the past 10 years and put forward future tasks and targets. The participants held that schools of higher learning as the main forces in developing science and technology have played an important role in promoting economic construction, catching up with world advanced technological development and conducting basic research work, and have made spectacular achievements. There is still great potential which can be tapped. The participants at the conference pointed out that, in the future, scientific and technological work of schools of higher learning should continue to be geared to the needs of economic construction and solve major scientific and technological problems in promoting the four modernizations. It is necessary to promote vigorously the application of scientific and technological achievements, set up a number of enterprises which use high technology, and establish a number of scientific and technological research centers or zones. The scientific and technological work of schools of higher learning should play a special role in invigorating the rural economy and help develop agricultural production by providing scientific and technological assistance. It is necessary to increase investment in the research of basic science and gradually catch up with or surpass advanced world levels in certain fields.

He Dongchang, vice minister in charge of the State Education Commission, made a summarizing speech. He said: Those major achievements made by scientific and technological departments of schools of higher learning in the past 10 years were the results of reform and opening to the outside world and the party's focusing its attention on the work. Economic construction has become the central task, and we must develop science and technology. Therefore, the scientific and technological work of schools of higher learning must be geared firmly to the needs of economic construction in the future. At the same time, it is necessary to handle properly the question of integrating teaching, scientific research, and production and pay attention to building up scientific and technological personnel. It is necessary to proceed from reality in formulating a policy for the development of scientific and technological work of schools of higher learning. Attention must also be paid to the work of turning scientific and technological achievements into productive forces.

Li Xue, vice minister in charge of the State Science and Technology Commission, also spoke at the conference. He asked science and technology commissions at various levels to attach importance to tapping the potential of scientists and technological personnel of schools of higher learning, and help schools of higher learning improve and develop scientific research work and promote the application of scientific and technological achievements.

Reportage on AIDS Seminar Held in Beijing

HK2412020890 Beijing GUANGMING RIBAO in Chinese
29 Nov 90 p 1

["Report" by correspondent Fan You (5400 0642): "At Seminar on 'Women and AIDS,' Experts Suggest Wide Publicity for Knowledge About AIDS Prevention"]

[Text] Beijing, 28 Nov (GUANGMING RIBAO)—The first of December each year is devoted to promoting worldwide propaganda on control of AIDS and the theme of this year's "World AIDS Day" is "Women and AIDS."

This reporter has learned some worrying figures today from a "Women and AIDS" experts seminar sponsored by the Global Venereal Diseases Foundation: By 31 October this year, the number of verified AIDS patients in the world exceeded 298,000; the number of people infected with AIDS reached about 8 million, of whom one-third are women. Facts show that from 25 to 40 percent of newborn babies whose mothers are AIDS virus carriers are infected with AIDS and most will die before the age of five.

As estimated by WHO, by 1992 there will be about 200,000 new female AIDS patients and, at the same time, some 200,000 AIDS-infected babies will have been born. About 3 million women and children will die from AIDS in the 1990's, thus the death rate for children under the age of six will rise to 30 percent. In consequence, the world's orphan population will increase by several million. Therefore, paying great attention to AIDS control and preventing the spread of AIDS have become pressing tasks which brook no delay.

During the seminar, the experts unanimously agreed that for the moment the first policy for the protection of women and children against AIDS is the wide publicity of knowledge on AIDS prevention—propaganda and education in this regard should be carried out down to every household and every organization with female members. Wang Aixia, a professor in dermatology from Beijing's Xiehe Hospital, noted that it is necessary to teach the public to correctly view the danger and spreading channels of AIDS and not to discriminate against AIDS patients and those infected with AIDS. She also called on the vast number of medical workers to set an example in this effort.

Present at today's seminar were Chen Muhua; Fei Xiaotong; Chen Minzhang, minister of public health; Zhang Liping, director of the health division of the General Logistics Department of the People Liberation Army; and Dr. (Keehan) [1015 1869], WHO representative in China.

Ministry Sponsors Lecture

HK2312090990 Beijing GUANGMING RIBAO in Chinese
2 Dec 90 p 4

[Report by Chen Guanman (7115 0342 2581): "Ministry of Public Health, Other Units Hold Public Lecture on 'World AIDS Day'"]

[Text] Beijing, 1 Dec (GUANGMING RIBAO)—Today is World AIDS Day. The Ministry of Public Health, the Beijing Municipal Public Health Bureau, the municipal Women's Federation, and three other units jointly held a lecture meeting at the Beijing International Conference Center in the Asian Games Village to mark World AIDS Day.

The materials presented at the meeting showed that so far, 298,914 AIDS cases had been recorded in 157 countries and regions in the world. According to the estimate of World Health Organization experts, the number of people actually contracting AIDS has reached 1.2 million, and the number of people infected with the AIDS virus stands somewhere between 8 million and 10 million. In our country, since the work of monitoring AIDS began in 1985, 466 people were found infected with the AIDS virus, and five people were diagnosed as suffering from AIDS. Since the first case of local infection was discovered in 1989, the number of infection cases has increased rapidly. In the past, the AIDS cases mainly occurred among foreigners who entered China; but now, most new cases are domestic residents. Among the 466 infection cases, only 68 people were overseas residents, and 378 were mainland residents. Of the five AIDS cases, three patients were overseas residents and two were mainland residents, and all five patients have died.

Public Health Vice Minister Gu Yingqi said at the lecture meeting: Preventing and controlling the spread and contagion of AIDS has become one of the tasks in our public health work. The World Health Organization names women as the main subject in this year's World AIDS Day. In our country, women enjoy an equal status with men, and are playing an important role in all walks of life. Therefore, they constitute a great potential force in the work of preventing and curing AIDS. It is hoped that women and people in various social circles will take an active part in the work of preventing and controlling AIDS and will contribute to the effective control of the spread of AIDS in our country and to the eventual control of this disease in the world.

Zheng Xiwen, China Preventive Medicine Academy professor, told the meeting participants about the channels for spreading AIDS and the ways of prevention. The meeting participants welcomed his lecture.

Committee Issues Letter

HK2312083790 Beijing GUANGMING RIBAO in Chinese
2 Dec 90 p 4

[Report by Fan You (5400 0642): "State Commission of Specialists on AIDS Prevention and Control Issues Open Letter, Calling on Medical Workers To Meet the Challenge of AIDS"]

[Text] Beijing, 1 Dec (GUANGMING RIBAO)—Today, the State Expert Committee for Preventing and Controlling AIDS issued an open letter to medical workers throughout the country, calling on them to make preparations for meeting the challenge of AIDS and to carry out seriously the task of monitoring, preventing, and treating AIDS.

The open letter said: As AIDS is a new contagious disease, many medical workers still lack sufficient knowledge about it and thus feel fearful and reluctant to treat people who are infected with the AIDS virus or who have suffered from AIDS.

The letter said: As a large quantity of epidemiological tests in laboratories has shown, AIDS is spread mainly through three channels, namely, the sexual channel, including casual sex between men and women or between men; the blood channel, including the transfusion of blood or blood products contaminated by the AIDS virus and the joint use of contaminated syringes by drug takers; and the childbearing channel, which means the AIDS virus may be passed from a pregnant mother who is infected with the AIDS virus to her baby.

The letter particularly pointed out: To contact AIDS patients and people infected with the AIDS virus normally in office, school, or other public places by means of shaking hands, talking, or hugging will not infect a person with AIDS. Neither will the joint use of tableware, a toilet, or a swimming pool cause the infection of AIDS. In the course of examining, treating, and nursing AIDS patients or people who are infected with the AIDS virus, medical workers will not be affected by the disease.

The open letter also said: According to the results of monitoring in the last few years, in our country, the first channel for spreading the AIDS virus was blood contact, and the secondary channel was sex. Although no case of childbearing infection has been discovered, this aspect should not be neglected.

Fight Against AIDS Viewed

HK2412040090 Beijing JINGJI CANKAO in Chinese
1 Dec 90 p 1

[Article by Zhu Li (2612 7787): "Faced With 'A Life Taker,' We...—Marking World AIDS Day"]

[Text] Today (1 December) is designated by the WHO as World AIDS Day.

Since the discovery of the first case of AIDS in the United States in 1981, AIDS as a "life taker" has been running rampant in the world for nearly 10 years. Nowadays it remains a constant threat against the lives of healthy people. Incomplete statistics show that by late October 1990, 157 countries and areas in the world have reported a total of 298,000 cases of AIDS. And, as estimated by the WHO, by the same date there could have been 8 million AIDS virus carriers and 700,000 AIDS patients all over the world.

To us, the most noteworthy fact is that this devil, which is very hard to guard against, has already stretched its talons into mainland China. This cannot but arouse—

Our Worries

For the first few years after AIDS began to run rampant in other parts of the world, China, with a territory of 9.6 million square km, remained clean and the 1.1 billion Chinese people were then lucky people.

In June 1985, however, Mainland China reported its first case of AIDS—a male foreigner who was travelling in China died of AIDS in Beijing. So the history of a China "free of AIDS" came to an end, marking the beginning of our worries.

After that, public health departments continued to discover AIDS-infected persons and AIDS patients among the people in China. In August 1990, a Beijing medical doctor died of AIDS and became the first Chinese AIDS victim.

Medical specialists pointed out that the Chinese people are now highly vulnerable to AIDS infection and there is a high possibility of people in China being infected with AIDS. Venereal disease [VD] and drug addiction constitute severe threats to the country.

In the past few years VD has revived in China and become the hotbed for AIDS. Statistics show that the number of Chinese VD patients exceeds 220,000 and every one of those could be infected with AIDS.

In the border areas of China's Yunnan Province, close to the sinister "Golden Triangle" area—the world's largest drug producing and marketing center—many people are drug addicts. Since the discovery of the first case of AIDS infection among the drug addicts there in late 1988, the number of people infected with AIDS has been increasing and the situation is becoming increasingly serious.

Faced with the pressing situation, the Chinese Government has begun to take action to fight with AIDS.

Strategies and Measures

China has formulated a series of strategies and policies to prevent and control the spread of AIDS.

At present, the prevention of AIDS from spreading into China and the timely discovery of AIDS cases and

AIDS-infected persons is the important strategy which China practices to prevent and control the spread of AIDS. In this connection, the following effective measures have been adopted:

- The Ministry of Public Health has already issued two circulars imposing restrictions on imports of blood products, which have helped keep the spread of AIDS through using blood products under effective control.
- In December 1986, the Chinese Government enacted an ordinance preventing any foreigner infected with AIDS or VD from entering China. The authorities concerned shall order any foreigners infected with the abovementioned diseases to leave the country before their visas expire.

The control over VD within the country is another strategy China has adopted against AIDS. In February 1986, the National People's Congress passed a "Law on Prevention of Infectious Diseases," which has put AIDS and VD under legal monitoring and control procedures. Departments concerned at all levels have consolidated and improved VD prevention and treatment gradually, widely publicized the danger from VD and the knowledge about prevention of these diseases among the public, and established a nationwide VD epidemic monitoring system.

The struggle against AIDS cannot continue without scientific monitoring and medical diagnostic and preventive means. First of all, the constant serological monitoring and detection of epidemic conditions among highly vulnerable groups of people is the key to controlling AIDS. This task was started in China in 1984. By 1990, almost all provinces, municipalities directly under the central government, and autonomous regions, had started their monitoring operations and a monitoring network had taken shape. China has also developed three AIDS diagnostic methods, namely, the enzyme linked immunosorbent assay, the fluorescein immunoassay, and the protein labelling method [dan bai yin ji fa 5751 4101 0603 6068 3127]. China has also developed on its own, and is producing, a kind of AIDS diagnostic agent. Chinese doctors can now diagnose cases of AIDS using their own methods.

One of the most gratifying developments is that using Chinese medicines in the treatment of AIDS has proved effective to a certain extent. The ancient Chinese medicine has been applied to the valuable study in search of a solution to a modern medical problem.

Let Us Treasure Our Own Health

"Our lives and our world—let us treasure them and help each other."

This is a slogan against AIDS resounding across the world.

It is obvious that AIDS is not only a knotty medical problem but actually a social syndrome. It is one of the

evil consequences of the many long-standing social problems of modern society. Therefore, to conquer AIDS, we not only need medical but also social means. In view of this unique characteristic of AIDS, the WHO has put forward the above slogan and has taken propaganda and education as the most efficient means to prevent AIDS for the time being. In this connection, the WHO decided to name 1 December World AIDS Day as of 1988, with a view to reminding all governments and peoples in the world of the ubiquitous threat of AIDS.

Propaganda and education on hygiene among the public, especially among the highly vulnerable groups of people, and also young people, is part of China's successful experience in the struggle to prevent AIDS.

In the past few years, the departments concerned have tried unremittingly to convey a message to the public through the mass media: treasuring one's own health is the most effective weapon against AIDS.

Now that the idea of treasuring one's own health has struck root in the hearts of the people, some people who were indiscreet in their conduct have begun to behave themselves. The propaganda and education efforts have proved to us that the spread of AIDS can be checked and good conduct can keep everyone immune to AIDS.

Li Ruihuan at Book Ceremony; Deng Writes Title

OW2112132890 Beijing XINHUA Domestic Service
in Chinese 1058 GMT 20 Dec 90

[By RENMIN RIBAO reporter Xu Rujun (1776 1172 0193) and XINHUA reporter He Ping (0149 1627)]

[Text] Beijing, 20 Dec (XINHUA)—A ceremony to release the "Series of Books on Ideological and Political Work in the New Era" was held at the Great Hall of the People this afternoon. Comrade Deng Xiaoping wrote the title of the series.

Li Ruihuan, Standing Committee member of the Political Bureau of the CPC Central Committee, and Wang Shoudao and Kang Shien, Standing Committee members of the Central Advisory Commission, attended the ceremony.

In a speech at the ceremony, Li Ruihuan paid tribute to and thanked comrades who had participated in the compilation of the series. He said: The compilation and publication of the series of books during the new period of reform and opening up is of great importance for strengthening and improving ideological and political work, especially ideological and political work in enterprises. He urged comrades in propaganda and publication departments to further explore and summarize ways and means, as well as experience, in doing ideological and political work in the new era so as to more effectively train a new generation of socialist minded people who have noble ideals, a sense of discipline and morality, and general knowledge.

Published by the Unity Publishing House, the "Series of Books on Ideological and Political Work in the New Era" is a major project organized and compiled by the Chinese Society for Study of Workers' Ideological and Political Work in the seven years since its inauguration. The society compiled the series in order to cope with practical needs to strengthen and improve ideological and political work, and enhance the quality and theoretical level of political work cadres. Upholding the party's basic line, the series of books provides a fairly comprehensive and systematic exposition of theoretical guidelines, principles, and methods, as well as relevant knowledge on ideological and political work in the new era. It is a set of books with theoretical, systematic, authoritative, and informative knowledge on ideological and political work.

According to a briefing, the series consists of a total 16 books in the study of theory and application. So far, six have been published, with the remaining expected off the presses before the end of next year.

Working Women Assert Discrimination in Workplace

OW2212092290 Beijing XINHUA in English
0859 GMT 22 Dec 90

[Text] Beijing, December 22 (XINHUA)—Working women in Beijing feel they share equal rights in terms of politics and law, but sex discrimination still exists in their professional life, according to a recent survey.

The Beijing Women's Federation joined with the Guangzhou Women's Federation and Hong Kong University to explore the employment of women in Beijing in an effort to improve related employment policies. The organizations conducted a survey of over 9,000 working women, aged 25-44, between August 1989 and October 1990.

Most of the women surveyed in Beijing reported that even though they received similar pay and welfare benefits as men, opportunities for promotion, business travel and professional training were less. Over 80 percent of the women agreed that men had more opportunities in employment.

Those surveyed also expressed the feeling that men held higher positions and received more attention from their bosses.

Experts note that the women surveyed, despite varying ages and different cultural backgrounds, share similar views about employment.

Statistics show that the ratio of employed women in Beijing increased from 4.9 percent in 1949 to 39.3 percent in 1989. At present, women account for 48 percent of the total work force in the food industry; 63 percent in public health, sports and physical culture and social welfare; 48 percent in education, culture and art, and in broadcasting and TV stations; 39 percent in scientific research and comprehensive technical services;

49 percent in finance and security; and 31 percent of the state and social organizations.

Women are, in fact, an important force in the Chinese capital's modernization drive.

The survey also revealed that a large number of women would prefer to hire men rather than women if they were in a position to do so. Experts view this as a result of factors related to production, nursing and home chores which require women to expend a great deal of energy. In addition, the experts point out that women enjoy maternity leave with pay and retire five years earlier than men. So the employment of women is more costly than men.

The ideal mode for the employment structure is to employ more men than women, the surveyed said.

Most women in Beijing now find jobs through state plans. Although an increasing number of women are hoping to find an ideal job which will provide them an opportunity to exhibit their talents in equal competition with men, 96 percent of the women surveyed said that they would prefer working in state-run enterprises and institutions, where there is less competition and the pay differential is not as great as in private businesses.

TALENTS Journal To Resume Publication

OW2112132790 Beijing XINHUA Domestic Service in Chinese 0915 GMT 20 Dec 90

[Text] Beijing, 20 Dec (XINHUA)—With the approval of the State Press and Publications Administration and the Ministry of Personnel, ZHONGGUO RENCAI BAO [CHINESE JOURNAL OF TALENTS] will resume publication and be put on sale throughout the country on 1 January 1991.

At a press briefing held by the journal today, this reporter learned that ZHONGGUO RENCAI BAO will be placed under the supervision of the Ministry of Personnel and will be published by the ministry's Talents Research Institute. The journal will focus on economic construction, uphold socialist journalistic orientation, and report on the experience and lessons in the study of the scientific theory and the practice of talents, as well as on the advanced deeds of talented personnel in all fields who make contributions to their socialist motherland. The journal, after resumption, will be the nation's only specialized journal devoted to publicizing policy on talents.

Li Desheng, Yang Jingren, Duan Suquan attended today's press briefing.

Localities Designated Pilot Reform Units

OW2412091690 Beijing Domestic Service in Mandarin 2230 GMT 23 Dec 90

[Text] According to a dispatch by RENMIN RIBAO reporter, Zhang Zhijian, vice minister of the Ministry of Personnel and director of the General Office of the State

Committee for Establishment of Government Organizations, recently told this reporter: In addition to the existing pilot units designated across the country for local organizations reform, the State Council has recently decided, as from next year, to add more provinces, cities, and counties to the list, or conduct a comprehensive system where more pilot units within a locality are selected in a bid to speed up the pace of the local organization reform exercise.

Zhang Zhijian said: Over the past year and more, gladdening progress has been made by existing pilot units, including Hebei Province, cities with extended powers including Harbin, Qingdao, Wuhan, and Shenzhen, and nine other counties including Huarong in Hunan Province, Zhuozi in Inner Mongolia Autonomous Region, and (Baoan) in Guangdong Province. Their common practice and experience are conducting in-depth investigations and studies, meticulously drawing up plans, and adapting to the changed functions brought about in the process of economic restructuring. In response to the necessities prompted by the combination of a planned economy and market regulation, all these pilot units have altered the government's functions in respect of administration of enterprises and institutions. They have succeeded in realizing the principle of separating the functions of the government from that of the enterprises and the institutions, straightening out relations among all parties concerned, perfecting the management system, and reducing the size of organizations and personnel. On the basis of separating the functions of the party and the government, all pilot units have rationally divided the different functions of the party committees and the governments, scrapped organizations with overlapping functions, and rationally defined the functions and powers of governments at the higher and the lower levels. All these pilot reform units have also attached importance to the institutionalization of organs and tightened control of the size of organizations in a bid to consolidate the results of organizational reform and ensure the smooth functioning of the new organizations.

State Council Issues Order No 69

OW2412045890 Beijing XINHUA Domestic Service in Chinese 0237 GMT 24 Dec 90

[The People's Republic of China State Council Order No. 69]

[Text] "The People's Republic of China Regulations for Administrative Supervision" adopted by the 72d executive meeting of the State Council on 23 November 1990 is hereby promulgated for implementation.

[Signed] Premier Li Peng

[Dated] 9 December 1990

Military

Leaders Stress Improved Army Logistic Work

OW2112194290 Beijing XINHUA Domestic Service
in Chinese 1332 GMT 21 Dec 90

[By RENMIN RIBAO reporter Luo Tongsong (5012 0681 2646) and XINHUA reporter Guo Diancheng (6753 3013 2052)]

[Text] Beijing, 21 Dec (XINHUA)—At an all-Army logistic work meeting which ended today, it was stressed that Army logistic work should be subordinate to, and serve the purpose of, the cardinal task of national economic construction. In doing this work, it is necessary to make allowances for the nation's difficulties, share the burden due to such difficulties, deepen the reform effort, strengthen management, be industrious and thrifty in building up the Army, and ensure the fulfillment of the work of building up the Armed Forces and all other tasks.

Jiang Zemin, chairman, and Yang Shangkun and Liu Huaqing, vice chairmen of the Central Military Commission, met with the representatives participating in this meeting and posed with them for a photograph.

Jiang Zemin expressed the earnest hope that comrades on the logistic work front in the whole Army would continue to exert themselves to improve the Army's logistics, promote ideological and political work, and deepen the logistic reform. He earnestly urged them to manage financial and other work successfully, further improve the economic result of logistic work, and make new contributions to building up the Armed Forces.

Comrade Jiang Zemin is deeply concerned about and places great importance on the military's logistic work. Since assuming chairmanship of the Central Military Commission, he has gone deep into Army units on many occasions to conduct inspections and has issued important instructions on the improvement and reform of the logistic work.

The all-Army logistic work meeting opened on 15 December in Beijing. The meeting was aimed primarily at implementing the related guidelines set by the central authorities, including the Central Military Commission, with emphasis on studying how to deepen the reform, improve management, and make more efforts to boost the logistical support capacity.

Yang Baibing, secretary general of the Central Military Commission, attended the meeting and delivered a speech. He fully affirmed the logistical work achievements scored by our Armed Forces in recent years and, on behalf of the Central Military Commission, extended regards to the broad masses of officers and men on the logistic work front in the whole Army.

Yang Baibing hoped that the comrades on the logistic work front would fully understand the importance and

arduous nature of doing good logistic work in the new situation and strive to raise the logistic work capacity. He said: With the strategic change in our guiding thought for army building, it has become a common goal in the whole Army to build modern and regularized revolutionary armed forces. The greater the progress in modernizing our Armed Forces, the higher the demand on the logistic work. Comrades on the logistic work front should have a strong feeling of pride and a deep sense of responsibility. I hope you will be deeply aware of the significance of your work, redouble your efforts, and make still greater contributions toward improving the logistic support capacity and promoting the modernization of the Armed Forces.

Yang Baibing stressed the need to persist in building up the Army through diligence and thrift and to make better use of the presently available funds and materials. He said: It is our Army's glorious tradition to struggle hard, live a plain life, and build up the Army through diligence and thrift. At the present time, we should all the more carry forward this tradition. This is because the focus of the most striking problem presently concerning the logistic work is the limited funds and the great demand, and it is impossible to ease this supply-versus-demand contradiction within a short time. Moreover, we cannot hold up the numerous army building tasks until our military funds are quite sufficient. To carry out army building under the present conditions, we are in particular required to carry forward the glorious tradition of hard struggle, plain living, and building up the Army through diligence and thrift. To implement the principle of building up the Army through diligence and thrift and to raise the efficiency of use of funds and materials, it is most important to pay attention to two things at present: First, pay attention to management; and second, pay attention to reform. In other words, we should try to improve our efficiency by means of better management and through reform.

Yang Baibing pointed out the need to respect knowledge and competent personnel, and to give fuller play to the intellectuals' role in improving logistic work. He said: Our military logistic units are knowledge-intensive and technology-intensive units with a large number of intellectuals and cadres who are technical specialists. These cadres are playing a significant role in improving the logistic work and even in building up the entire Armed Forces. They are the backbone of the forces. Their wisdom and silent devoted effort are indispensable regardless of whether we deepen logistic reform and strengthen logistic management or develop scientific research in logistics and promote the modernization of logistic work. Actual practice has proved that every step we have made in building up our armed forces is imbued with the efforts of intellectuals. To further promote the modernization of logistic work, we must unremittingly implement the principle of "respecting knowledge and competent personnel," give full play to the intellectuals' initiative and creativity, show concern about them, take care of them, and help them mature and progress politically. Leading cadres at all levels should go deep among

intellectuals from time to time to better understand them, increase fraternalism with them, and become their bosom buddies. It is necessary to show concern about their well-being, create good working and living conditions for them, and give priority to solving their difficulties in livelihood. In particular, the leaders at all levels should show even more concern about young and middle-aged intellectuals, and see to it that they are able to overcome the difficulties in livelihood and work with energy. The key to respecting knowledge and competent personnel is to be good at utilizing competent personnel and to give full play to their role. Every leading comrade should have a firm determination to cherish competent personnel, the sharp eyesight to discern them, a bold resolve to utilize them, and a sincere sentiment to protect them.

Cho Nam Qi, member of the Central Military Commission and director the General Logistics Department, delivered a report at the beginning of the meeting. He said: The party Central Committee and the State Council have attached great importance to the improvement of the Armed Forces, and have made the utmost effort to arrange funds for military spending. There is still, however, a rather big gap between the available funds and the actual requirements. In view of this, all comrades on the logistic work front in the entire Army should further display the spirit of hard struggle and plain living, carry out the principle of building up the Army through diligence and thrift, continue the austerity practice, and give full play to their subjective initiative so as to make the best use of the available funds and achieve the maximum results. In the new year, he added, logistic work departments in the whole Army should put the stress of their work on deepening the reform and strengthening management. He also spoke on specific arrangements made for next year's logistic work.

Zhou Keyu, political commissar of the General Logistics Department, made a summation speech at the end of the meeting.

Qin Jiwei and Chi Haotian, both members of the Central Military Commission, attended the meeting.

Nanjing Region Urges Grass-Roots Party Building

*OW2112144790 Nanjing Jiangsu Provincial Service
in Mandarin 1015 GMT 19 Dec 90*

[Text] The Nanjing Military Region's working meeting on strengthening building of grass-roots party branches ended today. The meeting made arrangements for improving the work of grass-roots branches in all the region's troops next year. It called for conducting education in maintaining the party's absolute leadership over the Army. Concentrated efforts should be made to help the vast numbers of party members and the masses to understand the true meaning of the most basic principles, such as upholding the party's absolute leadership over the Army and building the party's branch at the company level. At the same time, efforts should be made to strengthen the training of grass-roots party branch

backbones. Next year, the region's divisions will conduct training for all grass-roots branch secretaries in two batches. In addition, the deeds and experience of advanced grass-roots party branches and outstanding party members will be publicized throughout the whole region.

The meeting emphasized that each level should uphold the principles of the party committee paying close attention to the task and its secretary assuming responsibility for gradually developing a structure for building grass-roots party branches and to ensure the completion of the task in various fields.

Economic & Agriculture

Finance Minister on Reducing Expenditures

*HK2412114490 Beijing RENMIN RIBAO in Chinese
15 Dec 90 p 1*

[Report by Yan Jianjun (7346 1696 6511): "Wang Bingqian Stresses the Necessity To Increase Revenues and Retrench Expenditures Next Year"]

[Text] Beijing, 14 Dec (RENMIN RIBAO)—A national financial work meeting concluded today. In his concluding speech Wang Bingqian, state councillor and minister of finance, stressed the need to open up revenue sources, retrench expenditures, and "live a tight life."

Wang Bingqian said, the fundamental way to resolve our financial difficulties is to develop production, improve economic results, open up revenue sources, and produce a bigger "cake." But no matter how large the "cake" will be, there is still a question of how to share it. The CPC Central Committee and the State Council have time and again stressed the necessity of increasing the "two proportions"—namely, the proportion of revenue to the national income and the proportion of the central government's revenue to the national revenue, both of which are too low. In adjusting the distribution setup, the state will not introduce a large-scale adjustment to the part "being stored" but will take a large portion from the "increased amount." This is comparatively appropriate because enterprises and localities are facing financial difficulties. In next year's expenditures, a retrenchment policy will continue to be implemented, leaving some flexibility in the course of retrenchment and providing guarantees in the course of reduction. Expenditures should be reduced wherever and whenever possible, and guaranteed expenditures also require meticulous calculations.

Wang Bingqian pointed out next year's financial work should be adapted to the economic situation. The following points should receive attention:

—Enterprise management will be strengthened to improve quality, accumulate more funds, and produce better results.

- Taxation management will be strengthened, and work should proceed strictly according to taxation law and management. Stricter management will be exercised over the reduction or exemption of taxes. Without the approval of the State Council and the Ministry of Finance, no regions or departments have the right to reduce the funds for the construction of key energy and communications projects or the state-budgeted regulatory fund.
- Management of expenditures will be strengthened. Expenditures for capital construction projects and administration will be strictly controlled, as will the purchasing power of social groups. All expenditures should be aimed at doing something practical and producing good results by practicing economy.
- Stricter management will be exercised over the budget to formulate the legal system concerning financial work. Measures will be taken to stop all sorts of tax evasions so that all taxes can be collected.

Commentator Article on Stabilizing Employment

HK2312070990 Beijing RENMIN RIBAO in Chinese
12 Dec 90 p 1

[Commentator's Article: "An Important Measure for Stabilizing Labor Employment"]

[Text] The State Council has officially promulgated the "Administrative Regulations for Enterprises Engaged in Labor Employment Services" which have come into force. This is a major event concerning the issue of guaranteeing the healthy development of labor service enterprises and stabilizing labor employment in cities and towns.

More than 10 years have passed since the founding of the first labor service companies in 1979. According to statistics, in the past 10 years, the labor service companies, aiming at broadening the scope of employment, set up some 230,000 collective enterprises that employed 16 million urban job-seekers. These enterprises have developed on a considerable economic scale, as they totally possessed 15.7 billion yuan of fixed assets, their annual output value and business turnover reached 84 billion yuan, and they paid 4.1 billion yuan in taxes to the state each year. Their production and management have developed from a simple pattern to a rather sophisticated one, as they have laid a considerable industrial foundation and have produced a large number of good-quality and export-oriented products. They have also cultivated a large number of outstanding enterprise managing and backbone technical personnel. The labor service companies have provided useful services which helped promote the economic prosperity, enliven the markets, and bring conveniences to the people in their day-to-day lives. They have made major contributions to the smooth passing of the employment peak in the 1980's. In the last 10 years of development, the labor service companies have opened up a road to exploit and

utilize labor resources and promote economic development in light of our country's national conditions. They have formed an economic system in the field of labor employment service with special characteristics, and have become a major means of regulating the surplus quantity of labor force in society and restraining the rate of job-seeking people.

In the 1990's, our country will meet another employment peak. While the state-owned, urban collective, and individual enterprises increase the employment of workers, the labor service companies will shoulder a heavier task of creating jobs. According to the estimate by the department concerned, in the Eighth Five-Year Plan period, the labor service companies will have to help more than 800,000 people find jobs each year, as compared with the annual figure of 500,000 people in the Seventh Five-Year Plan period. So their task will be extremely arduous.

The labor service companies hold an especially important position in the arrangements of labor employment in our country. Their work is not only of economic significance but also of social and political significance; however, many problems now remain in the labor service companies' development. In particular, we lacked a national legal document to define their character, status, tasks, and management system. As a result, the legitimate rights and interests of the labor service companies could not be guaranteed. At present, the labor service companies are still facing many difficulties in their existence and development. For example, they do not enjoy sufficient support from favorable government policies, the investment available to them is modest, and their management is weak. In the course of economic improvement and rectification, some government departments had incorrect approaches to the labor service enterprises, and this seriously affected their consolidation and development. At present, the State Council's promulgation of the "Administrative Regulations for Enterprises Engaged in Labor Employment Service" will provide them with legal guarantees, and this will certainly help strengthen the management of the labor employment service enterprises, safeguard their legitimate rights and interests, and promote the healthy development of the urban labor employment work.

Because there are regulations to be followed, all practices must be actually in line with the regulations. Employment is a longstanding social issue. Leaders at various levels should realize the special contributions and role of the labor employment service enterprises in the field of labor employment. They should seriously implement the spirit of the regulations, adopt effective measures and proper policies in the fields of taxation, credit, industrial and commercial administration, and raw material supply. It is necessary to perfect the relevant rules and regulations and gradually institutionalize the enterprises' operation and base it on the laws. It is necessary to promote overall quality control in the enterprises, enhance their overall management level, and actually

turn the labor employment service enterprises into new-type collective enterprises with good social effects and economic results.

Official Unemployment Figures Questioned

HK2112135290 Hong Kong ZHONGGUO TONGXUN SHE

in English 1110 GMT 21 Dec 90

["Feature" by Li Yan: "Figure for Level of Unemployment in China Suspect"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, December 21 (HKCNA)—A consensus on the figure for the total number of unemployed in China has not been reached. According to the Ministry of Labour, the figure is put at three million, representing a two percent unemployment rate, which compares with the 4.5 million or three percent figure released by the "Chinese Statistical Information Journal" which draws its figures from the State Statistical Bureau.

The two different sets of figures refer to "totally unemployed people" in the cities, but ignores that sector of people in the urban areas who, while officially employed, have in fact nothing to do and sit idle and those workers in rural enterprises who have been dismissed owing to the closure of their places of employment.

Some state-run and collectively-run enterprises have been forced to stop production in the last couple of years owing to the widely-known problems of storage, funding, lack of raw materials and energy and the weak market. This especially refers to those enterprises which were badly run. If one were to calculate that only seven percent of the total urban workers were employed in enterprises which have virtually come to a standstill, one is looking at a total of 10 million idle workers.

According to statistics from 1988, rural enterprises have altogether absorbed some 50 million workers, roughly one-eighth of the rural labour force. Since the situation of a production halt or a folding-up of rural enterprises is far more serious than is the case with urban enterprises, workers who have been laid off or who sit idle will total another very large number.

The urban jobless are given a small monthly living allowance while those laid off from rural enterprises are forced to look after themselves. Since many villages have an acute shortage of arable land, these jobless people cannot just simply return to their villages.

The number of such laid-off and idle workers could be as high as 30 million, far in excess of the official figure. Such an enormous number poses a serious threat to social order in the Mainland.

Looking forward, there may possibly be some improvement as the market is showing signs of rallying somewhat. More jobs would be provided in the wake of a recovering market and greater input of capital by government.

Official projections tend, however, to be more realistic. An official of the Ministry of Labour admitted that it will take a long time to rectify the present unemployment situation since some 20 million fresh labour force is being created each year, five million of which will be allocated government jobs. It would then be an extremely difficult task for the government to handle both the existing and the newly emerging job seekers.

State Council Circular on Settling Company Debt

OW2312075990 Beijing XINHUA Domestic Service in Chinese 2141 GMT 21 Dec 90

[Text] Beijing, 22 Dec (XINHUA)—The State Council recently issued a circular on the settlement of debts of companies dissolved or merged during the course of screening companies.

The circular stated: The settlement of debts must proceed in accordance with the "General Rules of the Civil Law" and the relevant regulations of this circular. All companies, which are considered to be legal persona under the "General Rules" and are unrelated to party or government organs that operate companies, shall be responsible for settling their debts with their holdings or assets.

The circular provides: The competent authorities or liquidation organizations of the dissolved or merged companies are responsible for settling their debts as well as for assessing, keeping, and disposing their property. They should take the initiative to be the companies' credit payers and, after checking their assets, repay their debts according to the situation.

—All party and government organs and their affiliated establishments which have received their companies' payments in cash or in kind to finance their expenditures or their workers' welfare services, awards, and subsidies, shall undertake the responsibility of repaying the company debts based on the amounts of money and goods they have received.

—For companies that have no capital or whose amounts of capital are different from what they have registered (except those for which the state has different regulations), even though they have been registered at business administrative organs, shall have their debts repaid by the competent authorities who approved their establishment, or by the units or investors that applied for these companies' establishment, within the amounts of capital they registered. Authorities serving as the guarantors of these companies' registered capital shall undertake the responsibility of repaying the amount of debts within the limits of capital which they underwrite.

The circular stated that registered capital embodies the amount of property that the state authorizes enterprises to manage, or the amount of property that enterprises own. Without exception, all organs or units that have money invested in their companies will not withdraw their money. If the competent authorities or operators of these companies have withdrawn, transferred, or hoarded property in an attempt to evade debt payments, they shall return all they have withdrawn, transferred, or hoarded to pay their companies' debts. Should there be any surplus, it will be regarded as state property and recovered by the investors if it is an investment from party or government organs; and it shall be returned to the original investors if it is investment from collective enterprises.

The circular also stipulated that insolvent companies shall pay their debts according to the following order: (1) Paying their workers a rational amount of wage and living expenses; (2) paying the taxes payable under the laws; (3) repaying the loans that they have borrowed from state banks, credit cooperatives, or other financial institutions; and (4) other debt payments. In case a company's property is insufficient to repay all its debts in the same category, the repayment will be distributed proportionally. When party and government organs are required by this circular to undertake the responsibility of repaying the debts of their dissolved or merged companies, they can only make the payments from their nonbudget funds. The unit that takes charge of the merged companies shall enjoy the creditor's rights and undertake the old companies' debt payments. This circular also applies to companies operated by mass organizations and social groups such as trade unions, women's federations, Communist Youth League organs, federations of literary and art circles, and all associations, societies, and foundations.

Circular Issued on Jurisdiction Over Companies

OW2312062390 Beijing XINHUA Domestic Service
in Chinese 2105 GMT 21 Dec 90

[Text] Beijing, 22 Dec (XINHUA)—A few days ago, the State Council issued a circular on the authority to examine and approve the establishment of state-owned companies.

To standardize gradually the process of examining and approving companies, the "circular" lays down the following stipulations on the authority to examine and approve the establishment of state-owned companies in the future:

1. The Ministry of Foreign Economic Relations and Trade shall be responsible for examining and approving specialized companies in foreign economic relations and trade at all levels. The People's Bank of China shall be responsible for examining and approving banking companies at all levels. The State Council's Production Commission is authorized to examine and approve all national specialized companies (groups) other than the

specialized companies in foreign economic relations and trade or the banking companies.

2. Full-scale general purpose national companies (groups), which have an important impact on the national economic development, shall be verified by the State Council's Production Commission first before they are submitted to the State Council for approval.

3. The newly established companies are not allowed fully or partially to assume the administrative functions of the government. If there is particular need for such functions, the case should be referred to the State Council for approval.

4. Departments responsible for examining and approving the establishment of companies should follow the relevant state laws and policies, consult with the relevant departments in formulating the measures for examining and approving the establishment of companies, and report to the State Council for the record.

5. The agencies for examining and approving local companies, with the exception of specialized companies in foreign economic relations and trade and banking companies, shall be determined by the provincial, autonomous regional, and municipal people's governments in accordance with the aforementioned principles.

Offshore Oil Production To Exceed Targets

HK2412034090 Beijing CHINA DAILY in English
24 Dec 90 p 2

[By staff reporter Xu Yuanchao]

[Text] China's offshore oil production is expected to outstrip the State target by 20 percent to reach 1.2 million tons by the end of this year.

An official from the China National Offshore Oil Corporation (CNOOC) told CHINA DAILY that the corporation held fulfilled the one-million-ton State target 47 days ahead of schedule.

The rapid growth in offshore oil output, from 900,000 tons in 1989 to 1.2 million tons this year, could be attributed to the well operations of two new offshore fields in the Bohai Sea and South China Sea, according to the official.

He said the output of offshore fields in the Bohai Sea would account for about 75 percent of total offshore oil production, and the South Sea around 25 percent.

The Bozhong 34-2 oilfield, jointly developed by Chinese and Japanese companies, had been put into production in June this year and had an annual capacity of 500,000 tons.

The Huzhou 21-1 field, the largest offshore field in China, had gone into operation in September, he said,

adding that the field, located at the juncture of the Pearl River and the South China Sea, had a capacity of 1 million tons.

Last year China had turned out 903,000 tons of oil from offshore fields, a 20-percent increase on 1988. About two-thirds of its offshore oil production had been exported and had brought good profits, the official said.

CNOOC, officials hope more new fields will go into production in 1992 to bring its annual oil output to 5 million tons.

Since China opened its continental shelf for international bids in 1979, the nation has developed its own technological advantages through co-operation with Western oil companies, officials say.

To date, CNOOC has attracted \$2.8 billion of foreign investment by signing 73 contracts and agreements with 45 oil firms from 12 countries.

Officials say that over the past 10 years, some 170 wells have been drilled, of which 65 are reported to have found reserves. Some 36 formations have been found to contain oil and gas, representing a success rate in drilling operations of more than 20 percent, they say.

The nation has begun exploring for oil in the East China Sea using its own technology, and has discovered two oilfields and three formations containing oil and natural gas.

Though the East China Sea is still closed to foreign oil companies, experts expect the area will soon be open to international bidding.

Heavy Oil Production Increases During 7th Plan

OW2212144590 Beijing XINHUA Domestic Service
in Chinese 2108 GMT 21 Dec 90

[By correspondent Wei Guozhi (7614 0948 1807)]

[Text] Harbin, 22 Dec (XINHUA)—During the "Seventh Five-Year Plan" period, China's heavy oil [chou you 4464 3111] production increased by an average of 1.106 million tonnes annually, growing from 1.81 million tonnes to 7.34 million tonnes. This accounts for 42.2 percent of the total increase in the country's crude oil production. Our country has become one of the world's leading heavy oil producers.

Although it has abundant heavy oil resources, China faces great production difficulties. During the "Seventh Five-Year Plan" period, the petroleum industry actively promoted and applied the technology of steam injection drilling. It also adopted complete auxiliary technologies for charting underground heavy oil-bearing layers, for drilling and logging oil wells, for producing oil through mechanical means, and for building above-ground construction projects, thereby opening up a new situation in

the exploration for heavy oil. So far, China has established four thermal heavy oil exploration bases—Liaohe, Xinjiang, Shengli, and Henan.

It is understood that during the "Eighth Five-Year Plan" period, our country's petroleum industry plans additional input into the exploitation of 323 million tonnes of heavy oil reserves in an effort to reach an annual output of 9 million tonnes.

Iron, Steel Projects Make Steady Progress

OW2212142190 Beijing XINHUA in English
1329 GMT 22 Dec 90

[Text] Beijing, December 22 (XINHUA)—During the past five years China has witnessed steady progress in the construction of the state's key iron and steel projects.

An official from the Ministry of Metallurgical Industry reports that the second phase of Baoshan Iron and Steel Complex in Shanghai is well under way and progressing smoothly.

The equipment for the plant's cold-roll, hot-roll and continuous cast systems, which were designed and manufactured in co-operation with foreign companies, are now operational. When the project is completed the complex will be capable of producing 6.71 million tons of steel and 6.5 million tons of iron, annually.

The plant will provide the state with 4.22 million tons of high quality shaped steel and 1.22 million tons of billets. The complex will soon become China's most important production base for steel plate, pipe and other materials.

In addition, construction of the second phase of the Panzhihua iron and steel plant in Sichuan province is also progressing rapidly.

Since the start of the construction, in 1986, a blast furnace, and sintering and coking systems had been completed. When the project completed the plant will have an increased comprehensive steel production capacity of 1 million tons per year. Also during the Seventh Five-Year Plan, the No. 1 blast furnaces at the Tangshan Iron and Steel Plant in Hebei Province and the Wuyang Iron and Steel Plant in Henan Province were put into operation.

Construction of a supplementary project at the Wuhan Iron and Steel Complex in Hubei Province and an expansion project at the Zunyi Iron Alloy Plant in Guizhou Province are progressing smoothly.

Machinery, Electronics Become Export Goods

OW2412074090 Beijing XINHUA Domestic Service
in Chinese 0630 GMT 17 Dec 90

[By XINHUA reporter Gu Honghong (7357 3163 3163)]

[Text] Beijing, 17 Dec (XINHUA)—The product mix of China's export goods has undergone significant changes during the Seventh Five-Year Plan period. With a new

outlook, intensively processed goods have joined the big league of export commodities and become vital export commodities. This can be observed from the multiple growth in the export volume of machinery and electronics products, which, together with textile products and light industrial goods, are the three mainstays of our nation's export products.

Especially in this year when domestic sales have been sluggish, many manufacturers of machinery and electronics goods have tried hard to develop an international market. From January to October, the nation earned \$8.363 billion in foreign exchange from exporting machinery and electronics goods, exceeding the total export of machinery and electronics goods for the previous five-year period by more than \$1 billion. It is expected that the nation's machinery and electronics exports will exceed \$10 billion this year, bringing the total export volume of machinery and electronics goods to \$34.3 billion for the past five years, representing an increase of 520 percent over the Sixth Five-Year Plan period.

The growth of China's machinery and electronics goods exports has been consistently high during the Seventh Five-Year Plan period, exceeding 40 percent a year, on average. The percentage of machinery and electronics goods now accounts for 20 percent of China's total exports, increasing from only six percent in 1985.

The rapid growth in the export of machinery and electronics goods should be primarily attributed to the good environment brought about by the state's reform and open policy. The large quantities of technologies and equipment that the state purchased with tens of billions of dollars during the Sixth and Seventh Five-Year Plan periods have completely transformed tens of thousands of machinery and electronics goods manufacturers and substantially expanded their production capacity and upgraded their technology. During the Seventh Five-Year Plan period, the state has also taken advantage of opportunities to establish a machinery and electronics goods production system, comprising more than 1,000 mainstay enterprises that produce export goods. Today these enterprises earn more than one-half of the total amount of foreign exchange earned through the export of machinery and electronics goods.

Second, the establishment of a leading group to take charge of exports, the formulation of export plans, and the adoption of foreign trade contracts by machinery and electronics goods manufacturers during the Seventh Five-Year Plan period have created a beneficial cycle for the growth of machinery and electronics goods exports.

Third, the changes in the domestic market for machinery and electronics goods have also prompted machinery and electronics goods manufacturers to develop the international market. According to statistics from the Ministry of Machine Building and Electronics Industries, machinery and electronics industries have increased output value by 20 billion yuan this year by

increasing exports and producing goods to substitute for imports, thus off-setting the shortfalls caused by sluggish domestic sales.

While the export of machinery and electronics goods has increased quantitatively by leaps and bounds, major quality breakthroughs have also been achieved during the Seventh Five-Year Plan period. A large number of key, technology-intensive products has emerged, and the proportion of exporting complete sets of high-technology equipment has been increasing gradually. According to statistics, exports of China's color television sets may reach 3 million units this year. Video recorders, which made their debut on the domestic market in the early 1980's, are now the leading products in exports of electronics goods, with exports expected to hit 25 million sets this year, surpassing domestic sales. The export of high-technology and high-grade machinery and electronics equipment has also begun during the Seventh Five-Year Plan period. Last March, the Shanghai Heavy Machine Tools Factory exported three heavy-duty precision slideway grinders to Italy, ending the nation's record of having never exported any heavy digital-controlled precision machine tools.

In addition to exporting complete machinery units, the machinery and electronics industry has also started to export production lines and complete sets of equipment. China, a country that competed to import color television production lines during the Sixth Five-Year Plan period, has now surprised people by becoming an exporter of color television production lines during the Seventh Five-Year Plan period. Chinese-made 30,000-kw generating units and ground stations for receiving satellite transmissions have also successively joined the ranks of export products.

While the export of machinery and electronics goods has been gratifying during the Seventh Five-Year Plan period, the total value of China's machinery and electronics goods exports reportedly accounts for less than one percent of the world trade of machinery and electronics goods. In this connection, the Ministry of Machine-Building and Electronics Industry has decided to further promote exports of machinery and electronics goods during the Eighth Five-Year Plan period.

Machinery, Electronics To Face Slower Growth

HK2412033490 Beijing CHINA DAILY in English
24 Dec 90 p 2

[By staff reporter Ren Kan]

[Text] China's machinery and electronics industry is unlikely to witness anything more than moderate development in the coming year.

He Guangyuan, minister of the Machinery and Electronics Industry, said over the weekend that total production value in 1991 was expected to grow by just 1.5 percent to hit 192.6 billion yuan (\$37 billion).

This was a small percentage growth rate compared with the industry's average increase of 10.9 percent a year between 1986 and 1990, he told the industry's annual national working conference held in Dalian, Liaoning Province.

The sluggish market was to blame for the situation, he said, adding that the current slump would continue into next year when machinery and electronics producers would face a lack of orders.

But the industry had the confidence to overcome these problems, he said, because the State would give more priority to developing the industry.

At the same time, he said, the shortage of raw materials which had hindered such development would be eased next year.

By the end of 1991, the tax and profits of the industry were expected to have risen by 1 percent over the figure for this year.

The industry had suffered a 35 percent decline in tax and profits this year because of the sluggish market, he said.

Enterprises would have to concentrate on readjusting their product structures in order to meet the industry's target for the coming year, he added.

They should turn out the products which were in demand, he said, adding that more effort would be made to develop energy and resource-saving products, import substitutes and export-oriented products.

The industry would turn out 300 different energy-saving products and 370 import substitutes next year.

The total export value of the machinery and electronics industry was expected to hit \$10 billion next year, he said.

The readjustment of the product structure in the nation's enterprises would be achieved by way of technical renovation. The industry planned to renovate 600 enterprises with the help of electronic technology.

Technical renovation would focus on basic machinery, complete sets of equipment for the country's key projects, agricultural products, integrated circuits, telecommunications equipment, computers and video recorders, he said.

Rolling Stock Products Industry Standardized

*OW2412073590 Beijing XINHUA Domestic Service
in Chinese 2112 GMT 17 Dec 90*

[By XINHUA correspondents You Junxiong (3266 6511 7160) and Wang Lichun (3769 0448 2504)]

[Text] Beijing, 18 Dec (XINHUA)—China's rolling stock industry worked hard to bring about an upswing during the Seventh Five-Year Plan period. Its output can now basically satisfy the needs in railway transportation.

Major products have been updated and standardized, and some products' technical capabilities have approached or reached advanced international standards.

The rolling stock industry of the railway transport equipment departments has long been a weak sector in China's railway development. During the Seventh Five-Year Plan period, the Ministry of Railways decided to boost the rolling stock industry by investing selectively in rolling stock manufacturing and intensifying remodeling, even if it meant giving up the construction of one railway. During the last five years, the output of the rolling stock products increased markedly, and the total industrial output value was 75.8 percent higher than that of the Sixth Five-Year Plan period. Of the 3,889 new engines built, 2,090 were diesel engines with a total power of 7.68 million kw. That was 3.08 times and 3.25 times respectively more than that of the Sixth Five-Year Plan period. The 768 electric engines built with a total power of 3.21 million kw were respectively 3.64 times and 3.89 times higher than that of the Sixth Five-Year Plan period. The newly built 9,154 passenger cars and 107,765 cargo wagons represent an increase respectively of 2.48 times and 2.49 times over that of Sixth Five-Year Plan period. Rolling stock repair and other supporting services have also improved substantially.

While expanding production capacity, the rolling stock industry also made great efforts to solve technical problems, develop new products, and assimilate advanced technology it purchased from foreign countries. This has sped up the process of updating products, improving the technological conditions of rolling stock, and steadily improving the quality of products. In the last five years, the industry has won 16 state awards, 70 ministerial and provincial awards, and 116 national corporation awards for its technological developments, including the development of the Shaoshan-5 and Dongfeng-9 high-speed electrical and diesel engines for passenger transportation. By stopping the production of engines in September 1988, China's railway departments have made a major leap in locomotive development. In terms of passenger cars, new, air-conditioned cars and double-deckers of the 25.5-meter category have been developed; in terms of open cars, box wagons, and flat cars, all the old models of the 1950's and 1960's with payloads ranging from 30 to 50 metric tons have been replaced by new all-steel cars with a payload of 60 metric tons. New types of special purpose wagons, such as temperature-controlled wagons, refrigerated wagons, livestock wagons, toxin wagons, various types of tankers, cars for transporting long steel tracks, and large flatcars, as well as open cars for exporting coal from Shanxi, have been developed.

China also completed its first export of complete sets of rolling stock during the Seventh Five-Year Plan period. The sale of 218 high-grade, air-conditioned passenger cars and 50 electrical engines, which China won during international bidding, earned \$130 million in foreign exchange for the state. During the five-year period, about 70 contracts with \$200 million in business were signed.

Cement Output Exceeds 7th Plan Target

HK2212025490 Beijing CHINA DAILY in English
22 Dec 90 p 2

[By staff reporter Zhang Yuan]

[Text] China has become a building material production giant with its cement output expected to rank the first place in the world this year, CHINA DAILY learned yesterday.

According to the target set for the current Five-Year Plan, the annual production of cement was required to reach 180 million tons in 1990, the last year for the plan. But the industry had exceeded the target by 6 million tons three years earlier, said Yang Zhiyuan, deputy director of the State Administration of Building Materials Industry.

This year, cement output is predicted to reach 202 million tons, the biggest in the world, Yang said.

He said annual flat glass output for this year set by the State was 72.25 million boxes (one box weighs 50 kilograms). But the industry fulfilled the quota in 1988 with a production of 72.93 million boxes.

Other products, such as sanitary porcelain ware, raw mica, plaster stone, graphite and granite plates, all surpassed this year's production plan by from 15 percent to 58 percent.

As a result, the building materials industry this year is expected to show a slight increase in output value over last year though it has been hit by the country's current austerity programme.

In November, the industry saw a speed-up in production with an increase of 0.93 percent over the same month of 1989.

That was the second month during which the industry registered an increase after this year's first rise of 0.74 percent in October.

Yang attributed the rise to better sales of building materials and an improved supply of coal, electricity, soda ash and other raw materials.

He said that from mid-November prices of some building materials rose due to an increasing demand for more building materials.

The materials in demand mainly went to key State fixed asset investment projects which were due to be completed this year.

Yang said, supplies of coal, electricity, soda ash and other raw materials for building materials production continued to improve last month.

Timber Consumption Falls 'Dramatically' in 7th Plan

OW2212114090 Beijing XINHUA in English
1050 GMT 22 Dec 90

[Text] Beijing, December 22 (XINHUA)—Timber consumption in China decreased dramatically during the Seventh Five-Year Plan period (1986-1990) due to strengthened management.

Today's PEOPLE'S DAILY reported that between 1986 and 1990 China saved over 50 million cubic meters of timber.

During the period the state put great effort into fire prevention, easing the pace of housing construction boom, promotion of the country's forest resources supervision system, and rectification of the timber market.

Since firewood used as the major heat source in rural areas has long been the country's main consumer of timber resources, various localities have educated farmers in the use of more efficient wood-burning stoves.

However, officials from the Ministry of Forestry are still concerned that if the country maintains consumption levels forest resources will soon be depleted.

This is the main reason for the Ministry of Forestry limiting yearly consumption over the next five years to 243.6 million cubic meters.

CHINA DAILY reported today that the new limit marks a 20 percent reduction from the over 300 million cubic meters of timber consumed last year.

In order to further protect the country's forest resources, the Ministry of Forestry has drafted a quota on the number of trees which can be harvested in each province during the next five years.

In this way the ministry hopes that provincial consumption amounts of wood can be kept within provincial output.

8th Plan Quotas Set

HK2212025090 Beijing CHINA DAILY in English
22 Dec 90 p 1

[By staff reporter Wang Dongtai]

[Text] China's timber consumption during the Eighth Five-Year Plan period (1991-1995) is limited to a yearly 243.6 million cubic metres, according to a State Council circular released yesterday.

This marks a 20 percent reduction from the more than 300 million cubic metres of timber consumed last year, according to official sources.

In order to further protect the country's forest resources, the Ministry of Forestry has drafted a quota for the number of trees to be cut in each province during the next five years.

In this way the ministry hopes that provincial consumption of wood could be kept within provincial output. The sources say the State Council has just approved the quota.

The State Council circular has notified local governments that from next year, the volume of trees to be cut and consumed will be under the strict management of the Ministry of Forestry.

The circular says the quota is the maximum number and no provinces should surpass it during the Eighth Five-Year Plan period.

The quota includes consumption of wood for all purposes, such as for commercial use, use by farmers, and as fuel.

China's forest resources decreased sharply between 1984 and 1988. Apart from a great amount of timber consumed during the economic growth, much timber was lost through mass stealing, forest fires, and pest and disease damage.

Because of strengthened management of timber consumption, a cool-down of the housing construction boom, and fire prevention, consumption of timber decreased in the past couple of years.

However, the officials from the Ministry of Forestry still worry that according to the present speed of consumption, the country's forest resources would not last long.

That's why the Ministry of Forestry limits yearly consumption over the next five years to 243.6 million cubic metres.

And annual consumption of bamboo is limited to 363.4 million.

Timber Market Researched

OW2312045290 Beijing XINHUA in English
0244 GMT 23 Dec 90

[Text] Beijing, December 23 (XINHUA)—China is studying the structure of its tropical timber market and the possibilities for cooperation between it and the timber markets in other countries in a bid to make use of its limited forest resources.

According to the China Academy of Forestry in charge of the project, funds for the project were granted last month by the International Tropical Timber Organization (ITTO) headquarters in Yokohama, Japan, last month.

Under the project, Chinese officials will collect information and make on-the-spot surveys of tropical timber resources in Guangdong, Hainan and Yunnan Provinces and the Guangxi Zhuang Autonomous Region.

The Academy will establish a data base on China's current tropical timber production, consumption and trade as well as a forecast to the year 2000. The data base will be technically compatible with the ITTO data processing system to make the information available to other ITTO member states and relevant international organizations.

China is a timber-starved country, with forests covering only 12.9 percent of its land. It has timber reserves of 10.3 billion cubic meters, and of these, only 1.45 billion cubic meters can be felled.

According to the report from the Academy, the Ministry of Forestry has worked out a blueprint for afforestation of 6.6 million hectares of land by the end of the century. The work will focus on planting fast-growing trees for use by industry. In addition, China will develop cooperation with other timber producing countries to expand two-way trade and set up timber cooperative projects overseas.

More Investment Increases Farm Production

OW2312110390 Beijing XINHUA in English
0859 GMT 23 Dec 90

["Roundup: China Increases Input in Agriculture"—XINHUA headline]

[Text] Beijing, December 23 (XINHUA)—China has increased its input in agriculture to reinforce the potential of its farm production.

In addition to local government's efforts in farming, the state has increased its investment in farm capital construction by one billion yuan this year over 1989 and allocated additional 1.574 billion yuan to support agriculture.

The Agricultural Bank of China and the rural credit cooperatives this year increased loans to agriculture by 30 billion yuan over last year.

All these funds were used mainly in construction of irrigation facilities and seed improvement.

According to statistics, the total amount of chemical fertilizer arranged by localities this year was up two million tons over the previous year.

The supply of pesticide and farm-used plastics this year met the demand of farmers.

To arouse the initiative of farmers in grain production, Chen Yaobang, vice-minister of agriculture, said the state has already adjusted and raised purchase prices for cotton and oil-bearing and sugar crops.

All these had paved the way for this year's overall grain harvest.

East Region

Anhui People's Congress Standing Committee Meets

OW2212143390 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 18 Dec 90

[From the "Provincial Hookup" program]

[Text] The 20th session of the Seventh Provincial People's Congress Standing Committee opened on the morning of 17 December. Chairman Wang Guangyu presided over the session. The session heard an explanation by (Ji Changhua), vice chairman of the Electoral Work Committee of the provincial People's Congress Standing Committee, on the revision of the draft of the temporary regulations governing the work of Anhui's township and town people's congresses; an explanation by (Liu Kang), deputy secretary general of the provincial People's Congress Standing Committee, on the regulations governing inspection tours by deputies to the Anhui Provincial People's Congress; and a report, also by (Liu Kang), on the handling of proposals made by deputies at the Third Session of the Seventh Provincial People's Congress.

Entrusted by the provincial People's Government, (Xie Daozhang), director of the provincial Commodity Price Bureau, made an explanation on the draft regulations governing fee collection in Anhui. The session also heard explanations by (Huang Jing), vice chairman of the Hefei City People's Congress Standing Committee, on temporary provisions governing the Hefei City People's Congress Standing Committee's supervision of the city People's Government, the city Intermediate People's Court and the city People's Procuratorate in accordance with law; an explanation by (Jizhao), vice chairman of the Huainan City People's Congress Standing Committee, on regulations governing the Huainan City People's Congress Standing Committee's supervision of judicial work; and an explanation by (Zhen Zhenhong), vice chairman of the Legislative Affairs Committee of the provincial People's Congress Standing Committee, on the draft decision that the tentative Hefei City Social Security Regulations should apply to the province as a whole.

In his report on the handling of the proposals by deputies at the third session of the Seventh Provincial People's Congress, (Liu Kang), deputy secretary general of the provincial People's Congress Standing Committee, said: During the third session of the Seventh Provincial People's Congress, of the proposals made by the deputies, 20 were approved and handled as proposals by the Presidium of the Congress and were submitted to the provincial People's Congress Standing Committee for study and handling. A chairman's meeting was held to study them and turned three of them to the provincial People's Government for study and handling and 17 of them to all work committees and General Office of the provincial People's Congress Standing Committee for

study and handling together with departments concerned. He pointed out: The provincial People's Congress and the provincial People's Government have paid great attention to the proposals made by deputies and have separately turned them to departments concerned for serious study and handling. Eight proposals have been carried out or basically implemented, and 12 proposals have been listed in the plan or are being carried out.

Zheng Rui, Ying Yiquan, Kang Zhijie, Chen Tingyuan, Chen Tianren, and Du Hongben, vice chairmen of the Provincial People's Congress Standing Committee, were present at the session. Du Yijin, vice governor of the provincial People's Government; Wang Chengle, president of the provincial Higher People's Court; and Feng Jiahua, chief procurator of the Provincial People's Procuratorate, attended the session as non-voting deputies.

Lu Rongjing, Others Inspect Huaihe

OW2312151490 Hefei ANHUI RIBAO in Chinese
6 Dec 90 pp 1,3

[Text] Lu Rongjing, provincial party secretary, led a group of responsible comrades from some departments directly under the provincial party committee in conducting an 11-day inspection of areas along the Huaihe, including Fengtai, Shouxian, Huoqiu, Yingshang, and Funan Counties. Lu Rongjing highly praised achievements by cadres and people in these counties in harnessing the Huaihe. He urged people living along the Huaihe to consolidate their achievements and accelerate the pace of advancing out of poverty and into prosperity by continuing to carry forward the spirit of unity in harnessing the river, working hard in starting new enterprises, being determined to eradicate poverty, and by dauntlessly fighting for a better life.

Areas along the Huaihe in the province have long been stricken by floods and poverty. Since the republic's founding, many attempts have been made to divert and store flood waters in a bid to protect the safety of important cities, as well as that of industrial and mining enterprises and great arteries of the Longhai and Jinpu railways in the vast area of the Huaipei Plain. In spite of the fact that the CPC Central Committee [CC] and the State Council paid kind attention and rendered extensive support, the problems of feeding and clothing people could not be solved because these areas' economic foundation was very weak. Ever since the Third Plenary Session of the 11th CPC CC, especially in recent years, people living along the Huaihe have launched large and comprehensive projects to harness the river under the leadership of party committees and governments at all levels, as well as that of the commission for harnessing the Huaihe. In the five counties mentioned above, dikes able to retain nearly 200 million cubic meters of earth and stone have been built since 1987. Particularly worth mentioning is that linking and improving dikes along Jiangjia, Qiujia, and Tangduo lakes has made a big difference in water conservation in

the poorest areas along the Huaihe, which was used for diverting and storing flood waters. In harnessing the river, these counties are also breaking free of conventional cropping systems and readjusting enterprise structure in line with local conditions. They greatly increased grain production, made a smooth start in agricultural development, and initially solved the problems of feeding and clothing people by seeking favorable and avoiding unfavorable conditions and by carrying out comprehensive development. Currently, people living along the Huaihe are striving with full confidence to rid themselves of poverty and to join the great ranks of those who are better off.

Lu Rongjing went to construction sites and visited cadres and people working at water conservation projects. He visited peasants' families, inspected enterprises run by counties and townships, and held informal talks with cadres and people at all levels. At construction sites on Jiangjia, Tangduo, and Qiuji Lakes and on the west main viaduct linking Mengwa and Huoqiofeng, Lu Rongjing shook hands with people and had heart-to-heart talks with them. These people told Secretary Lu that, in the past several years when life was hard, some peasants worked in construction sites to harness the Huaihe in spite of food and clothing shortages. Achievements have been made through several years of hard work. Now that people have enough food to eat, they are more enthusiastic about improving water conservation projects. Cadres from some localities were happy to say that it is now very easy to organize people to work on the projects. Previously, these people needed to be pushed. But they are now very active in the projects. Scores of prefectures or township-sponsored projects, each with over 1 million or hundreds of thousands of cubic meters of earth and stone, can be accomplished in a couple of months without any state investment. Faced with these hard-working and sincere people, these high-standard and high-quality water conservation projects and dikes for flood prevention, Lu Rongjing could not but admire their spirit of unselfish devotion. He urged local cadres to build monuments on these sites describing the glorious records of hard work and unity of the people as reminders for generations to come.

Lu Rongjing visited several peasants' families in Funan's Mengwa, where floods have always been the most severe. People living in this area depended on aid, loans, or begging long ago. With the improvement of water conservation, a bumper harvest of crossbred rice, which was switched over to grow in this area, was reaped this year. While visiting the family of peasant Liu Zhicai in Muyezi Village of Duantai Township, the host told Lu Rongjing that his family used to live on aid and became poorer and poorer. Things have changed now. He reaped 3,500 kg of wheat this summer and 6,000 kg of rice this fall. With the money he earned, he was able to build a six-room house with a tile roof. He is now working with increasing enthusiasm. Lu Rongjing was very pleased when he heard this. He said: What we fear most is not poverty and difficulties but having no

ambition in life and no ways to solve problems. Any difficulties can be overcome. Lu Rongjing urged all localities to take advantage of present favorable opportunities to do more work on infrastructural construction in water conservation. Meanwhile, he reminded the great masses of cadres and people living in areas where flood waters are diverted and stored of the importance of not forgetting the poor years even as we enjoy a bumper year. He urged each peasant household to strive to store enough grain for one year's consumption just in case of floods.

During his inspection tour, Lu Rongjing paid particular attention to the development of county and township-run enterprises along the Huaihe. He said: Economic development in the areas along the Huaihe is now in a transitional period. It is necessary to be open-minded, correctly deal with imbalances between agricultural and industrial development and between rich and poor counties by accelerating the development of county and township-run enterprises. Lu Rongjing enthusiastically inspected some enterprises run by counties and townships. He inquired in detail about their production, management, and administration. He encouraged them to further develop and expand their markets by improving the quality, quantity, and popularity of their products. He continued: Plan directors must learn how to expand markets. A plan director who fails to expand markets is not qualified. He stressed that enterprises should focus on economic results, strengthen management, administer their business strictly, and pay attention to the ability to increase self-accumulation and self-development. He expressed the sincere hope that responsible people in enterprises should be really devoted to learning their trade and becoming expert in their fields. During his talks with county leaders, Lu Rongjing pointed out: There is a certain foundation for the development of natural resources in areas along the Huaihe. Our next step is to develop further these resources. It is necessary to start from the stage of producing grain, cotton, oil-bearing seeds, pigs, and poultry and proceed to the stage of developing agriculture, industry, processing industry, and trade. This is an inexorable law of economic development. While increasing our understanding of the importance of county and township-run enterprises, we should put their development at the top of our agenda. It is necessary to proceed from local reality and use market demand as our guide in selecting a breakthrough point for our future development. Once we decide to solve the knotty technical problems of a project, we must organize all forces to ensure ultimate success. We must follow the road of developing enterprises run by townships, villages, groups of households, and individual households. He also said: We must streamline our existing enterprises, provide guidance in accordance with their categories, help them overcome difficulties, and increase their production. Those enterprises suitable for merging with others should merge. We should help them gradually become backbone enterprises so as to enhance economic development as a whole.

How can rural socialized services be improved? The experience of Yuji Supply and Marketing Cooperative in Funan County drew Lu Rongjing's attention. With a view to eradicating deficits and invigorating operations, the cooperative has gone all out to utilize its advantages by providing all kinds of services to peasants while consolidating itself in the process of services. As a result, the cooperative, which was deficit-ridden only three years ago, is now an advanced cooperative with fixed assets worth 380,000 yuan, with 326,000 yuan in working funds. Fully affirming the cooperative's experience, Lu Rongjing pointed out: Vigorous efforts must be made to step up rural socialized services, a top priority of the current task to deepen rural reform. In improving rural socialized services, we should first firmly foster the guiding ideology of serving peasants wholeheartedly. We should mobilize all sectors of society to establish a multilevel, diverse socialized service network, which stresses efficiency and is flexible and practical in its organized services. While increasing rural socialized services, we should also pay attention to developing new types of collective economy. He said: Yuji Supply and Marketing Cooperative's experience explains that grass-roots supply and marketing cooperatives can be rejuvenated as long as they combine services with agricultural production. He urged all localities and departments to emulate Yuji Supply and Marketing Cooperative's spirit of trying everything possible to meet the needs of peasants by boldly exploring ways and means to further develop rural productive forces while deepening rural reform.

"The masses are the real heroes, and the leadership is the key," said Lu Rongjing repeatedly during the inspection. The tremendous changes along the Huaihe valley are the fruits of labor by millions of people along the river and the crystallization of painstaking efforts by cadres at all levels. Everywhere he visited, Lu Rongjing held heart-to-heart talks with local grass-roots cadres and paid high tribute to them. He emphasized: The key to shaking off poverty and helping the masses become well off lies in strengthening the construction of grass-roots rural party organizations, i.e. in having effective leading bodies and pacesetters. The spiritual outlook and work style of leading bodies are of vital importance. Reinforced grass-roots rural party organizations are the basic guarantee for doing a good job in rural work in all fields. As long as leading bodies and leaders at all levels improve their organization and heighten their spirit in exerting themselves tenaciously and in a down-to-earth manner, we will be able to overcome difficulties and win victories. He also pointed out: Cadres should be evaluated mainly on the basis of their performance and political accomplishments. All localities and departments should propagate healthy tendencies and should by no means engage in decentralism or internal waste. During the inspection, Lu Rongjing also listened attentively to a briefing by the party branch of Shankou Village, Liuji Township, Fengtai County on the tremendous changes in the village as a result of the party branch leading the masses in

developing developmental farming and village enterprises over the past few years. With a great interest, he visited Xiaozhang Village in Yingtu County, an advanced model in adopting comprehensive measures to protect the environment and developing ecologically balanced agriculture. Praising the villagers as pacesetters in building a new socialist countryside, he encouraged them to continue to bring into play the spirit of dedication, self-reliance, and hard struggle in order to contribute even more to developing the rural commodity economy. He said: Communists should always bear in mind the fundamental goal of serving the people wholeheartedly. Work in all fields must be centered around the objective of ridding ourselves of poverty and becoming prosperous. It is necessary to pool the wisdom and efforts of all in developing the rural commodity economy.

At the end of the inspection, Lu Rongjing pointed out: Through arduous struggle over the years, the economy along the Huaihe sees hopes and the first light of dawn. A fairly large area of the river valley remains impoverished and is relatively weak in its capability to resist natural disasters. There are still a few key construction projects waiting to be launched, and some internal facilities need to be completed with auxiliary equipment. Therefore, it is necessary to grasp the present golden opportunity by strengthening party leadership, steadfastly relying on the masses, continuing to display the spirit of defying difficulties and hardships, fighting successfully, and advancing courageously in striving to help the Huaihe valley shake off poverty and become prosperous as soon as possible.

Shanghai Municipal People's Congress Opens

OW2112142490 Shanghai City Service in Manadrin
2300 GMT 20 Dec 90

[By Gao Xianghui; from the "Morning News" program]

[Text] The Shanghai Municipal People's Congress Standing Committee held its 23d meeting on the afternoon of 20 December. Vice chairman Ye Gongqi chaired the meeting.

The meeting attendees heard a report by (Chen Ming-kang), secretary general of the municipal people's congress Standing Committee, explaining the revised draft rules of procedures of chairmanship meetings of the municipal people's congress Standing Committee; a report by Shen Beizhang, chairman of the municipal Foreign Economic Relations and Trade Commission, explaining the draft regulations governing the liquidation of foreign funded enterprises in Shanghai; and a report by (Jia Shumen), deputy director of the municipal Press and Publications Bureau, explaining the draft regulations for supervising books, newspapers, and magazines markets in Shanghai.

(Jia Shumei) said: Since the anti-pornography drive was launched last year, Shanghai has achieved initial results in purifying books, magazines, and newspapers markets

by confiscating a total of 250,000 illegal books and magazines. Unlicensed bookstalls and selling of illegal publications have continued to exist. In order to exercise supervision according to the law it is necessary to formulate a local statute governing the books and newspaper markets.

Vice Chairmen Sun Guizhang, Liu Jingji, Li Jiahua, and Hu Chuanzhi were present at the meeting. Vice Mayor Liu Zhenyuan, President Gu Nianzu of the municipal Higher People's Court, and chief procurator Shi Zhusan of the municipal People's Procuratorate attended the meeting as observers.

Meeting Ends

OW2412063090 Shanghai City Service in Mandarin
1000 GMT 22 Dec 90

[From the "News and Weather" program]

[Text] The 23d meeting of the Shanghai Municipal People's Congress Standing Committee ended on 22 December. The meeting adopted the rules of procedure for the chairmanship meeting of the Shanghai Municipal People's Congress Standing Committee.

The meeting heard and examined the progress report on further developing foreign trade prepared by Shen Beizhang, chairman of the municipal Foreign Economic Relations and Trade Commission. Shen Beizhang said: Next year will be the first year of the Eighth Five-Year Plan. To do a better job in foreign trade, it is necessary to perfect the restructuring of foreign trade; readjust foreign trade policies; improve the foreign trade environment; rectify the foreign trade order; widen the scope of export without sacrificing economic returns; and develop foreign trade in a sustained, steady, and coordinated manner so that foreign trade will gradually reach a level characterized by unified policies, equal competition, autonomous management, bearing of sole responsibility for profits and losses, a combination of industry and trade, promotion of [words indistinct], and unified policies on foreign trade.

In their examination, some committee members maintained that it is necessary to expose and seriously deal with law-violating conduct involving the export of substandard and fake commodities. For more serious cases, those responsible should face economic and legal liabilities. Some committee members suggested that the municipal foreign trade departments should positively support export-oriented industries including textile, machine building, and electronics by adopting certain preferential policies to reduce losses. Some committee members criticized the lax control of certain imported commodities in the market, hoping that the relevant departments in the municipal government will tighten control.

Vice Mayor Gu Chuanxun spoke in response to the views and suggestions put forward by the members.

Today's meeting also passed resolution on personnel appointments and dismissals.

Ye Gongqi, chairman of the Standing Committee of the municipal People's Congress presided over the meeting. Vice Chairmen Sun Guizhang, Liu Jingji, Li Jiahao, and Hu Chuanzhi attended the meeting. Gu Nianzu, president of the municipal Higher People's Court, and Shi Zhusan, chief procurator of the municipal People's Procuratorate, attended the meeting as observers.

Central-South Region

Zhao Fulin Addresses Guangxi CPC Congress

HK2112152690 Nanning Guangxi Regional Service
in Mandarin 1130 GMT 18 Dec 90

[Excerpts] The Sixth Guangxi Autonomous Regional CPC Congress was solemnly declared open in the Nanning Theater this morning.

Among those seated on the front row of the rostrum at the opening ceremony were Zhao Fulin, Cheng Kejie, Tao Aiyang, Liu Mingzu, Ding Tingmo, Huang Yun, Gan Ku, Chen Huiguang, Hou Depeng, Zhong Jiazuo, (Zhao Yisheng), Peng Guikang, Lin Chaoqun, and Wei Chengdong.

All the members of the Presidium of the congress were seated at the rostrum. [passage omitted]

The opening ceremony was presided over by Comrade Cheng Kejie. [passage omitted]

Comrade Cheng Kejie said: The main tasks of the sixth regional party congress are: To implement the party's basic line and the spirit of the fourth, fifth, and sixth plenary sessions of the 13th CPC Central Committee; to sum up work we have done since the fifth regional party congress; to elect the Sixth Guangxi Zhuang Autonomous Regional CPC Committee, the Guangxi Zhuang Autonomous Regional CPC Advisory Committee, and the Guangxi Zhuang Autonomous Regional Discipline Inspection Commission; to determine the main tasks of our region's socialist material civilization building, socialist spiritual civilization building, and party building in the next five years; and to mobilize Communist Party members and people of all nationalities in our region to continue to implement and carry out the line, principles, and policies formulated since the third plenary session of the 11th CPC Central Committee, brace up, make concerted efforts, rely on ourselves, work hard, and strive to ensure continued political, economic, and social stability; and development and build socialism with salient Chinese characteristics in our region.

On behalf of the Fifth Guangxi Zhuang Autonomous Regional CPC Committee, Comrade Zhao Fulin delivered a report which was divided into the following four parts:

1. A review and basic understanding of the work done over the past five years;
2. Adhering to economic construction as the center and striving to attain economic and social development goals set for the next five years;
3. Stepping up socialist spiritual civilization building in a down-to-earth manner;
4. Adhering to party leadership and strengthening party building. [passage omitted]

Zhao Fulin said: Over the past five years, party organizations at all levels in our region have conscientiously strengthened organizational building under the leadership of the party Central Committee and have exerted their utmost to implement and carry out the line, principles, and policies formulated since the third plenary session of the 11th CPC Central Committee, united and relied on people of all nationalities in our region, adhered to economic construction as the center, adhered to the four cardinal principles, reform, and opening up, handled all types of natural calamities, overcome all types of difficulties, pushed ahead with reform, opening up, and all types of construction undertakings, and successfully fulfilled the tasks put forward by the fifth regional party congress.

Zhao Fulin said: After summing up both positive and negative experiences over the past five years, we are deeply convinced that in order to push ahead with Guangxi's reform and construction, it is necessary to unswervingly implement and carry out the basic line of "one center, two basic points," which was formulated since the third plenary session of the 11th CPC Central Committee, simultaneously carry out the building of two civilizations, and firmly adhere to the following guiding ideology in practical work:

1. Give top priority to safeguarding stability in all sorts of endeavors;
2. Adhere to economic construction as the center, carry out reform and opening up, and concentrate efforts on economic development;
3. Adhere to the ideological line of seeking truth from facts, proceed from actual conditions, closely integrate the line, principles, and policies of the central authorities with the realities in our region, and closely integrate ample enthusiasm with the scientific attitude of seeking truth from facts, this being the guiding ideology we must adhere to in developing economic construction and all types of undertakings in our region;
4. Adhere to the party's mass line, closely rely on the masses, and forge close ties with the masses;
5. Strengthen party building in a down-to-earth manner.

Zhao Fulin said: The achievements and progress we have made over the past five years have laid a solid foundation and accumulated experiences for our region's future

development. In the next five years, we are bound to face grander and more arduous tasks. Therefore, we must strengthen confidence, brace up, and continue to push ahead with our region's socialist modernization cause on the present basis. Our general guiding ideology is: To strengthen party leadership and party building in a down-to-earth manner, comprehensively implement and carry out the party's basic line, lead and unite people of all nationalities in our region to adhere to economic construction as the center, adhere to the four cardinal principles, reform, and opening up, simultaneously carry out the building of two civilizations, rely on ourselves, work hard, comprehensively fulfill the Eighth Five-Year Plan, strive to ensure continued political, economic, and social stability and development, and lay a reliable foundation for attaining the goal of quadrupling our gross national product and bringing about a comparatively well-off life for our people.

In the second part of his report, Zhao Fulin stressed: It is necessary to adhere to economic construction as the center and strive to attain economic and social development goals set for the next five years, which are: To ensure an average annual increase rate of seven percent for our total industrial and agricultural output value, of which our total industrial output value should be increased at an average annual rate of eight percent, while our total agricultural output value should be increased at an average annual rate of 4.2 percent; to ensure an average annual increase rate of six percent for our gross national product; to ensure an average annual increase rate of 6.1 percent for our national income; to substantially improve our people's livelihood by ensuring an average annual increase rate of three percent for the actual consumption of our urban residents and enable our peasants' per capita income to have reached 720 yuan by 1995; and to strictly control population growth by keeping our regional population under 45.5 million.

In the next five years, we must make redoubled efforts to strengthen agricultural development, which is the foundation, and give top priority to agriculture in our economic work. In the meantime, we must strive to speed up industrial development and infrastructural facility building. While speeding up technological transformation and product mix readjustment in the existing enterprises, we must extend and build a batch of key projects capable of giving play to our regional superiority and pushing ahead with our regional economic development. Deepening enterprise reform and invigorating enterprises are the key links in the economic structural reform. It is necessary to perfect and develop the contracted enterprise management responsibility system. [passage omitted]

Zhao Fulin said: We must further emancipate our minds, seize the opportune moment, and make full use of our favorable conditions to further upgrade opening up to the outside world. In the meantime, we must further step up our work aimed at helping the poor. [passage omitted]

In the third part of his report, Comrade Zhao Fulin said: We must earnestly strengthen socialist spiritual civilization building. Our basic requirements and tasks in this regard are: To adhere to the party's basic line, strengthen ideological and political work, greatly develop educational, scientific, technological, and cultural undertakings, constantly improve the ideological, ethical, scientific, and cultural qualities of people of all nationalities in our region, make greater efforts to train a new generation of socialist people with lofty ideals, moral integrity, cultural accomplishments, and sense of discipline, mobilize people to work hard, make progress, and carry out pioneering work, and push ahead with our region's grand cause of reform, opening up, and construction. [passage omitted]

Zhao Fulin called for training more cadres and qualified scientific and technological personnel of ethnic minorities and speeding up political, economic, and social development in areas inhabited by people of ethnic minorities so as to gradually bring about common prosperity and progress among people of all nationalities in our region.

In the fourth part of his report, Zhao Fulin stressed: It is necessary to adhere to party leadership and strengthen party building. [passage omitted]

The general guiding ideology and requirement regarding party building is: To closely adhere to the party's basic line, practically strengthen the party's ideological, organizational, and style building in light of the realities in our region, improve the overall quality of our party, and inherit and develop the party's fine tradition and style with a view to enabling our party to become more mature theoretically, ideologically more unified, politically stronger, and internally more united; and to forge closer ties with the masses so as to really become the staunch core capable of leading people of all nationalities in our region to build socialism with salient Chinese characteristics. [passage omitted]

New Committee Leaders Elected

OW2212173990 Beijing XINHUA Domestic Service
in Chinese 1620 GMT 22 Dec 90

[Text] Nanning, 22 Dec (XINHUA)—At the first plenary session of the Sixth Guangxi Zhuang Autonomous Regional Party Committee held today, Zhao Fulin [6392 1381 2651] was elected secretary of the regional party committee, and Cheng Kejie, Liu Mingzu, and Ding Tingmo [0002 1694 2875] were elected deputy secretaries.

Northwest Region

Gu Jinchí Addresses Conference on Two Supports

HK2412092490 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 19 Dec 90

[Text] The provincial conference on work supporting the Army and giving preferential treatment to families of

revolutionary soldiers and martyrs and on supporting the government and cherishing the people [two supports] concluded in Lanzhou's (Linmuzhuang) Auditorium yesterday afternoon.

The Gansu Provincial CPC Committee and the People's Government decided to name Gaotai County as "Army-People Unity County" and Pingliang City as "Two-Support Model City."

Provincial party committee Secretary Gu Jinchí and Governor Jia Zhijie awarded medals to Gaotai County and Pingliang City.

On behalf of the Lanzhou Military Region, Fu Quanyou presented two silk banners embroidered with "Model of Supporting the Army and Giving Preferential Treatment to Families of Revolutionary Soldiers and Martyrs" to Gaitai County and Pingliang City respectively.

Gu Jinchí, provincial party committee secretary, delivered a speech at the closing ceremony of the conference.

He said: The experiences summed up and exchanged at the conference show that our province has mainly gained the following experiences in the "two-support" work: To adhere to the party's basic line and implement the state's policies and laws; the leadership has given great importance to "two-support" work; to rely on the masses; the Army and the people jointly build spiritual civilization, learn from, help, serve, and do practical things for each other; to gradually regularize, socialize, and systematize the "two-support" work.

Gu Jinchí called on various areas to timely adapt themselves to the new situation and make concerted efforts to push ahead with the building of two civilizations both in the Army and in local areas.

In his speech, Lanzhou Military Region Commander Fu Quanyou first affirmed the achievements scored by our province in the work of supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs. He called on troops stationed in Gansu to fully understand the realistic and far-reaching significance of strengthening unity between the Army and the people, as well as unity among various nationalities in the new period from the high strategic plane of stability and development, actively support local economic construction, constantly improve and strengthen ties between the Army and the people and between the Army and the government, and infuse new vitality into the "two-support" work.

Yan Haiwang, provincial party committee deputy secretary, presided over and delivered a speech at the closing ceremony.

Li Ziqi, Xu Feiqing, Lu Kejian, Li Dengying, Wang Bingxiang, Shi Yunxiu, Dong Zhaowen, Cui Honglin, Jiang jinqiang, Yang Yingchang, Li Xilin, Sun Cuiping, Mu Yongji, Li Zhong, (Su Hua), (Li Qilu), and (He Minbao) attended the conference.

The deputies to the conference; the responsible comrades of various departments, commissions, offices, and bureaus directly under the provincial authorities; the responsible comrades of all the Lanzhou-based institutions of higher learning, scientific research units, and big enterprises and mines; the officers and soldiers from various organs of the provincial military district; and the provincial armed police forces also attended the closing ceremony.

Yin Kesheng Discusses Role of Party Schools

*HK2212044190 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 19 Dec 90*

[Text] At a provincial conference on party schools' educational work, Yin Kesheng, provincial party committee secretary, gave an important speech yesterday morning on improving Marxist education for cadres and party schools' educational work.

He stressed: It is necessary to build all levels of party schools into the position where contingents of theoretical workers are trained and Marxism-Leninism-Mao Zedong Thought is studied and developed.

He dwelt upon the importance, urgency, and great strategic significance of studying Marxist theory by all levels of cadres under the new situation.

He added: Since we introduced reform and opening, many cadres have displayed a lack of sufficient theoretical and ideological preparations for reform and opening. A striking phenomenon was that a number of comrades including leading cadres paid little attention to theoretical study and even showed apathy toward Marxist theory. The last few years saw ideological confusion within the party as a result of relaxed ideological education. Some people had confused ideas about basic Marxist viewpoints. This has impaired our work and constituted an obstacle to reform and socialist construction. Therefore we must understand the importance of upholding and studying Marxist theory from the high plane of safeguarding the overall interests of the modernization drive and foiling the hostile forces' peaceful evolution plot.

When talking about the necessity of persisting in the principle of combining theory with practice and further improving party schools' educational work and scientific research, Yin Kesheng said: We should educate cadres to understand socialism historically, comprehensively, and dialectically in connection with our current struggle against peaceful evolution and bourgeois liberalization to boost their confidence in socialism. Efforts should also be made to combine theoretical education with socialist modernization and reform and opening so that party members and cadres will be able to use Marxist stand, viewpoint, and method in analyzing the new situation, studying new problems, and summarize new experiences, raising their level of political consciousness in implementing the party's basic line. It is necessary to

combine Marxist theory with all levels of cadres' ideology and enhance party members' party spirit. We should also combine theoretical education with this province's political, economic, and social development and teach cadres to pluck up their courage, display the spirit of plain living and hard struggle, fear no difficulties and setbacks, and deepen the confidence that our socialist cause is bound to win so that they will further expedite the work of the areas, departments, and units under their administration.

It is necessary to give effect to the role of all levels of party schools and train a contingent of teachers who are politically reliable, professionally competent, and understand the laws of educating cadres.

He emphatically pointed out: Viewpoints that go against the party's basic line and major principles and policies are not allowed to spread in party schools, let alone bourgeois liberalization. All levels of party committees must adequately understand the position and role of the party school from the strategic plane and place it under their direct leadership.

Comrade Yin Kesheng hoped that all levels of party committees and party schools would make concerted efforts to make new achievements in running party schools.

Comrades Tian Chengping, Sang Jiejia, Bian Yaowu, (Chai Zhulin,) Doba, Ma Wanli, Huanjue Cenam, Chen Yunfeng, et al, attended the meeting.

Xinjiang Meets 7th Plan Foreign Trade Targets

*OW2112125590 Urumqi Xinjiang Television Service
in Mandarin 1400 GMT 19 Dec 90*

[Report by Zhang Faming; from the "Xinjiang News" program]

[Text] During the Seventh Five-Year Plan, the autonomous region promoted technology export and absorbed foreign capital, thus transforming a singular raw materials exportation into an all-directional, deep-level foreign trade. The targeted foreign exchange earnings through exportation was prefulfilled one year ahead of the plan, while the volume of foreign capital utilized almost doubled that of the Sixth Five-Year Plan. [video shows shots of workers working in a textile mill, garment factory, and sugar mill; it also shows peasants harvesting melons and workers loading cases of melons on trucks]

There was a diversification of activities introducing investment from abroad and establishing lateral ties at home along with progress in restructuring Xinjiang's foreign trade system. In addition to the existing specialized foreign trade corporations, foreign trade organizations combining industry or agriculture with trade were successfully set up in land reclamation, nonferrous metals, machinery, equipment, and other departments. Moreover, Xinjiang also established a company with

branch offices in foreign countries and regions to promote international economic and technical cooperation. In this way, a new multi-level, diverse-channel foreign trade structure took shape in the region. Today Xinjiang's trading partners total more than 50 countries and regions on five continents of the world. The variety of the region's export commodities increased from a dozen or so to more than 200 kinds, while export volume grew at an average of more than 40 percent annually.

During the Seventh Five-Year Plan, Xinjiang approved a total of 62 foreign funded projects and accepted five international aid projects, with direct and indirect utilization of foreign capital totaling U.S. \$250 million. Initially foreign-funded projects involved only textile and tourism industry; today they are also engaged in the light and textile industries, foods, medicine, chemical engineering, building materials, livestock, and agriculture. They added more than 800 million yuan output value and earned more than U.S.\$100 million foreign exchange for the autonomous region.

During the Seventh Five-Year Plan, Xinjiang energetically exported technology while actively increasing the importation of foreign technology and capital. At present, Xinjiang's construction, agricultural, and industrial technologies were already exported to the Soviet Union and other countries, thus strengthening Xinjiang's capability of competing and exporting technology in the international market.

Xinjiang Issues Circular on Budget Control

OW2312045390 Urumqi XINJIANG RIBAO in Chinese
19 Nov 90 p 1

[Text] The Xinjiang Autonomous Regional People's Government recently issued an urgent circular calling on all localities and departments to make earnest efforts to increase revenues and cut expenditures to balance this year's budget.

The circular says: While the autonomous region's economy is improving and the overall financial situation is satisfactory, there are still many problems that cannot be overlooked. The main problems are slow growth in revenues and fast growth in expenditures; unscrupulous tax reductions and exemptions, unauthorized cost prorations, embezzlement of state revenues, and other violations of financial regulations in certain localities and departments; and the increasing size of tax defaults of enterprises. The circular urges all localities and departments to work hard to increase revenues and cut expenditures for the rest of the year so that the budget can be balanced. It sets forth the following:

1. We should reaffirm our confidence to overcome difficulties and do a better job in increasing output, promoting sales, and slashing expenditures. We should make full use of the present improvement in production and sales to restructure production and product mix and improve economic efficiency. We should work hard to increase production of marketable goods, upgrade

product quality, reduce consumption of raw materials and fuels, and do everything possible to develop the urban and rural market to ensure future financial resources.

2. We should intensify tax collection and control and the delivery of revenues to the state. Special efforts should be made to collect and deliver business taxes and agricultural taxes to the state. All departments and units charged with collection responsibilities must take the entire situation into consideration, overcome difficulties, and fulfill their tax delivery assignments.

3. We strictly should conserve resources, tighten expenditures, and strive for a balance in revenues and expenditures. From now on, all localities and departments must spend in accordance with the budget and stop earmarking more money for nonbudgetary expenditures. To stamp out all acts of writing off nonbudgeted expenditures as budgeted expenditures, money appropriated for specific projects should not be spent for any other purpose. We should exercise strict control over the size of staff and the number of new organs, limit the number of organs being upgraded, and conserve administrative expenditures to keep administrative expenditures within our financial capability. We should continue to control institutional purchases. The purchases of administrative establishments, in particular, must be strictly examined and approved. The state's financial and economic discipline and regulations must be enforced strictly. Bonuses and allowances, in cash or in kind, should not be given out indiscriminately. Using public funds for personal purposes, such as squandering these funds for entertaining guests or giving gifts, is strictly prohibited. Year-end spending sprees or using public funds for New Years entertainment is also strictly prohibited.

4. We strictly should enforce financial and economic discipline, tighten financial control, and carry out extensive tax, fiscal, and price inspection. We must take effective measures to control unauthorized levies, prorations, and fines in accordance with the decision made by the CPC Central Committee and the State Council.

5. We should examine strictly this year's final accounts. When the year is over, all localities and departments must organize personnel to check all final accounts of receipts and payments. Any act of withholding and misusing revenues, and any falsification of expenditures and diversion of funds must be rectified resolutely. Following the examination, we should deliver all back payments to the state and retrieve all unauthorized expenditures so that receipts and payments can be balanced.

Geologists Verify New Petroleum Deposits

OW2212143290 Beijing XINHUA in English
1323 GMT 22 Dec 90

[Text] Urumqi, December 22 (XINHUA)—Petroleum prospecting teams in China have verified the Turpan-Hami depression in the east Xinjiang Uygur Autonomous Region as a new petroliferous field.

This is the third basin in the region to show good prospects for petroleum. Chinese geologists and oil workers have previously verified oil bearing structures in the region's Junggar and Tarim Basins.

Prospecting teams from the Yumen Petroleum Administration of the China Oil and Gas Corporation have

found that the Turpan-Hami Basin is made up of thick sedimentary deposits which are known to abound in oil and gas. Thus far, the teams have verified 10 petroliferous structures.

The basin covers 48,000 square kilometers which surround the Lanzhou-Xinjiang railway.

Taiwan Unification Committee Proposes Program*OW2212130390 Beijing XINHUA Domestic Service
in Chinese 1537 GMT 20 Dec 90*

[Text] Hong Kong, 20 Dec (XINHUA)—Taipei: The research committee of Taiwan's "National Unification Council" proposed a "Draft Program for the Unification of the State" on 18 December.

The draft divides the course of national unification into three stages—namely, the short-range, medium-range and long-range stages, but offers no clear-cut requirements or time needed to switch one stage to another. The draft says the goals of the short-range stage are "exchanges and mutual benefits"; the goals of the medium-range stage are "trust and cooperation"; and the goals of the long-range stage are "unification through consultation." Although the draft says at the medium-range stage it is necessary to renounce the "three no's policy," at the same time it claims both sides must maintain contact at the governmental level. The draft notes that at the long-range stage it is necessary to study the so-called "political democratization" and the possibility of unification through talks "in accordance with the public will of the people of the whole country."

Touching on the "Principles," the draft stresses that "one China does not allow splittism," but it insists "China cannot be unified through party-to-party talks." It persists in offering the Taiwan authorities the so-called "room for existence in the international community," and actually still takes the stand of "one country, two governments."

Taiwan Democratic League Meeting Ends*OW2312031090 Beijing XINHUA Domestic Service
in Chinese 1013 GMT 21 Dec 90*

[Report by Niu Changzheng (3662 7022 1767)]

[Text] Beijing, 20 Dec (XINHUA)—The Fourth Plenary Session of the Fourth Taiwan Democratic Self-Government League [TDSGL] Central Committee came to an end today. It pledged that, during the 1990's, it would continue to carry forward the fine tradition of cooperating closely with the CPC and, under its leadership, hold high the banners of patriotism and socialism, make itself stronger, play the active part of a political party, and make new contributions to China's revitalization and unification.

The meeting took place in Beijing from 17 through 21 December [dates as received].

At the request of the standing committee, Cai Zimin, chairman of the TDSGL Central Committee Presidium, delivered the work report entitled "Build Up the League, Play the Role of a Political Party." The report said: In 1990, under the guidance of the TDSGL and its local organizations, the vast number of league members studied and implemented the "CPC Central Committee

View on Upholding and Improving the CPC-Led Multi-party Cooperation and Political Consultative System" and the guidelines of the National United Front Conference. League organs were stronger, and league members took active part in democratic consultative meetings, forums, and heart-to-heart talks called by the CPC Central Committee and local party committees. The TDSGL and its local organizations accomplished a great deal of work in organizing and mobilizing its members to take part in the four-modernization drive; in promoting national reunification; in attracting investment from Taiwan; and in promoting mainland-Taiwan exchange and postal, trade, and shipping links. Their proposals to the CPC and the government on expanding mainland-Taiwan economic relations and trade were heeded and accepted by relevant departments. Many TDSGL comrades became contract supervisors, inspectors, and auditors of relevant government organs.

The meeting set forth the 1991 TDSGL projects, urging all TDSGL organizations and members to be involved actively in state affairs; to investigate, study, and comment on state policies, the work toward Taiwan, and issues about which the people are concerned; to recommend qualified TDSGL members to work for the government; and to help promote mainland-Taiwan relations and the peaceful reunification of the motherland based on the "one country-two system" concept.

The meeting also discussed the situation of the Taiwan Strait in 1990. It said that TDSGL warmly welcomes the "one China" stand of the authorities and people in various circles in Taiwan, the steps they have taken to ease mainland-Taiwan relations and liberalize bilateral contacts, and their firm opposition to all attempts to divide China permanently and create an "independent Taiwan."

The meeting supported the proposal made by the CPC Central Committee at the recent conference on Taiwan affairs, saying that contacts and negotiations should be established between the Kuomintang and the CPC as soon as possible. It said the proposal is in line with the reality on the mainland and Taiwan and it accords the aspirations of their people. The TDSGL called on all political parties, people's groups, and people of all walks of life in Taiwan to make concerted efforts to promote early negotiations. Before that, it said, direct mainland-Taiwan postal, trade, and shipping links should be established to facilitate two-way exchange.

When the meeting was in session, Ding Guangen, Jiang Minkuan, Wan Shaofen, Song Kun, and other leading members of the United Front Department of the CPC Central Committee, visited the attendees and had talks with members of the standing and appraisal committees of the TDSGL Central Committee.

The plenary session reelected Cai Zimin as chairman of the TDSGL Central Committee Presidium.

The Fourth Plenary Session of the Appraisal Committee of the TDSGL Central Committee took place at the same time. It elected Li Chen [2621 6591] to succeed Li Chunqin, who had died.

U.S. To Allow Trade Offices To Reopen*OW2312193590 Taipei CNA in English 1548 GMT
23 Dec 90*

[Text] Taipei, Dec. 23 (CNA)—The United States supports the peaceful unification of China, Ding Mou-shih, the Republic of China's [ROC] top representative in the United States, said Saturday.

Ding added the United States will allow the Republic of China to reopen all of the 14 offices across the U.S. which the ROC had established before the two countries suspended diplomatic ties in late 1978.

Taipei has reopened 11 of the offices, [words indistinct] talks are proceeding on reopening the Guam office.

Ding reported that since the government applied to join the General Agreement on Tariffs and Trade earlier this year, many U.S. senators and congressmen have expressed their support.

Taiwan To Apply for GATT Membership*OW2312140390 Taipei International Service
in English 0200 GMT 23 Dec 90*

[Text] Republic of China [ROC] representative to the United States Ding Mou-shih stated on Saturday at the Legislative Yuan that the ROC is applying to enter the General Agreement on Tariff and Trade as the Taiwan, Penghu, Kinmen, and Matsu customs territory, and there is no need the ROC's application should be discussed with the Chinese Communists.

Ding said that even though the U.S. Congress and public opinion support the ROC's entry to GATT, U.S. Government authorities are still considering whether or not the ROC should be granted membership in the international trade body. Therefore, the ROC will continue communicating with the United States on the issue (of seeking) support.

Ding also said that this year, ROC exports to the United States accounted for 33 percent of all exports, and the trade imbalance between the two nations is gradually shrinking.

According to estimates, the ROC's trade surplus with the United States this year should fall to about \$9 billion.

Ding, furthermore, stated that since the beginning of the year, the ROC and the United States have signed 14 new agreements in trade and economic issues.

Nationals Urged To Leave Mideast Before 7 Jan*OW2212181290 Taipei International Service
in English 0200 GMT 22 Dec 90*

[Text] The Ministry of Foreign Affairs stated on Friday that it still stands behind the conclusion reached at the last meeting of the Middle East Crisis Task Force, urging all ROC [Republic of China] nationals in the Middle East to leave the region before 7 January and return to

Taiwan. The ministry said that as negotiations between Iraq and the U.S. break off and tensions continue to rise in the Gulf, they will put in force a plan to evacuate all ROC nationals from the area.

CHINA POST Scores PRC Unification Call*OW2312165190 Taipei CHINA POST in English
14 Dec 90 p 4*

[Text] The Chinese Communist authorities concluded a six-day meeting on Taiwan affairs in Peking Wednesday, declaring that the 1990's will be the crucial decade for the unification of the mainland and Taiwan. Presumably, this means that the Peking leadership wants the two sides to be unified before 2000.

Unification through peaceful means can be said to be the wish of the majority of the Chinese people across the Taiwan Strait. But its realization relies on both sides to interact reciprocally and to revise bilateral policies that are unacceptable to the other.

Yet judging from the major conclusions reached at the Peking meeting, as reported by the Taipei press, the communist leadership does not seem to be promoting unification in such a spirit.

The meeting, for example, called for the ruling Kuomintang to enter into talks with the Chinese Communist Party at an early date to discuss how to expand bilateral exchanges and pursue unification.

But the meeting did not announce any conclusions concerning Taiwan's recent establishment of the Foundation for Exchanges Across the Taiwan Strait, a private but government-authorized body created to administer and promote economic, travel and other civil exchanges.

In fact, Peking should have made clear reciprocal responses by setting up a parallel organization or designating a representative agency to perform similar functions.

Having a private or specially authorized organization to handle bilateral exchanges is the only pragmatic arrangement that can be made before the two sides work out their political differences and establish official relations.

Only through such representative bodies can the two sides meet to negotiate legal and other measures needed to facilitate and expand various kinds of civil exchanges.

For Taiwan, there has long been a need to reach bilateral agreements with Peking to protect its trade and investment interests on the mainland.

Because of the lack of such guarantees, Taiwan has had to keep in place a ban on direct trade and investment with the mainland, and many of its companies have been hesitant to do business there.

Through intermediary agencies, Taiwan and the mainland can also negotiate treaties needed to deal with

commercial and other civil disputes that are bound to arise from growing exchanges between the two sides.

Taiwan has clearly indicated that if its recently established foundation proves to be successful in performing its intermediary functions with the cooperation of the mainland, it will elevate the body to official status.

That is a realistic and positive attitude in addressing bilateral exchanges at this point and it should be welcomed by the mainland. But Peking has so far not made any official statement that it would accept the foundation and render it the necessary cooperation.

At the end of the six-day meeting, Peking reiterated its opposition to Taiwan's policy to develop international relations, charging that it is a strategy to promote two Chinas.

Peking's persistence in such opposition is apparently due to its failure or unwillingness to consider Taiwan's vital interests. Taiwan is doing some US\$130 billion worth of business a year with the rest of the world and it is now registering an annual two way tourism with outgoing and incoming visitors totaling nearly half a billion.

Just to administer and facilitate this vast amount of foreign trade and tourism, Taiwan needed to improve its ties with other nations. Any attempt by Peking to prevent Taiwan from continuing to establish such relations is tantamount to isolating this island from the international community. This is not fair to Taiwan.

At the conclusion of the meeting, Chinese Communist authorities also reiterated Peking's long-standing proposal that Taiwan and the mainland should merge within the framework of "one country, two systems."

This formula attempting to make Taiwan a special administrative region of China and to eventually bring it under Peking's rule, once again proves Peking's unwillingness to take into consideration Taiwan's interests and its refusal to treat this island as an equal political entity.

It is no wonder why Taipei has been unwilling to enter into unification talks with Peking. This position was reaffirmed yesterday by the government's spokesman Shaw Yu-ming. He said Taipei will not accept Peking's proposal to hold any form of talks before the mainland meets President Li Teng-hui's three conditions set in inaugural speech in May this year.

In the speech, Li said that if the Chinese Communist authorities can implement political democracy and a free economic system, renounce the use of military force in the Taiwan Strait and not interfere with Taipei's development of foreign relations on the basis of a one-China policy, Taipei would be willing to open a full range of exchanges with the mainland.

Foreign Minister on Relations With Mainland

*OW2312020790 Taipei International Service
in English 0200 GMT 21 Dec 90*

[Text] Foreign Affairs Minister Chien Fu stated on Thursday that healthy relations between the two sides of the Taiwan Strait must be based on the mutual understanding that each side exists, and peaceful competition is beneficial.

He said that in the end, all the Chinese people should be allowed to select the political system of their choice. Chien said that this is the direction of development that relations between the two sides should take.

Chien said that the world is a witness to the achievements in political and economic development in the ROC [Republic of China] 台灣, Taiwan. He said the Chinese Communists should not overlook this fact.

Chien pointed out that at the end of May next year, when the temporary provisions to the Constitution are abolished, there will be a new basis for development of relations between the two sides. Chien said, though, that the Chinese Communists must make a positive response for healthy relations to develop.

Government Invites Dalai Lama To Visit

*OW2312143190 Taipei CHINA POST in English
17 Dec 90 p 12*

[Text] A director general of the Mongolian and Tibetan Affairs Committee (MTAC) disclosed Saturday that the government has invited the exiled Tibetan leader, the Dalai Lama, to Taiwan through a Taiwan Buddhist reverend currently in the United States.

The government's invitation follows a new statement by the spiritual leader to "let Tibetans decide their own future," which replaces his earlier assertion of an independent Tibet.

Mongolians or Tibetans will be allowed to enter Taiwan, which proclaims itself the legitimate ruler of China and opposes any independence of its local governments, under a new rule being studied by government officials, Wu said.

New Political Warfare Chief Appointed

*OW2312142490 Taipei CHINA POST in English
18 Dec 90 p 12*

[Text] Gen. Yang Ting-yun was sworn in as the director of the Political Warfare Department of the Ministry of National Defense. President Li Teng-hui presided over the inauguration ceremony, which started at 10 A.M. Over 400 people were present, including Vice President Li Yuan-tsu and high-ranking officials from the central and local governments.

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